Oudtshoorn Municipality

Annual Report

2017/18



2017/18 Annual Report

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CHAPTER 1

COMPONENT A: MAYOR'S FOREWORD



It is with great pleasure that I introduce the 2017/18 Annual Report of The Greater Oudtshoorn Municipality. In terms of Section 46 of the Local Government: Municipal Systems Act No. 32 of 2000 and Sections 121 and 127(2) of the Local Government: Municipal Finance Management Act, No 56 of 2003, the Municipality must prepare an Annual Report for each financial year, which must be tabled by the Executive Mayor within seven months after the end of each financial year.

As a tool of Government, the Annual Report assesses the effectiveness of the Municipality and the impact it has on the residents and community. It also gives an overview of the state of financial affairs of the Municipality and the administrative and governance maturity levels of the institution.

We continue to strive to be a strong and caring municipality that aims to improve the quality of life of all our citizens in a sustainable manner. In our efforts to improve the lives of our citizens, we aim to achieve excellent levels of service delivery as well as financial and political stability throughout. This, however, has not been an easy task as the Municipality again had to cope with the everchanging needs and demands of communities over which we sometimes have no control

As a Municipality, we are aware that realistically basic services cannot be rendered in a sustainable manner nor can infrastructure such as roads and electricity, water and sewerage networks be maintained unless rates and taxes are paid consistently. Therefore, we acknowledge that our successes are not only a testimony of our efforts, but also testimony of the selfless contributions made by all our stakeholders through funding support, business sector and the residents through participation in municipal processes and in being loyal in meeting their municipal obligations in a difficult economic climate.

Oudtshoorn Municipality is committed to impact on the lives of its residents and to make a meaningful effort to impact significantly on the dignity and livelihood of our resident. We always strive to deliver quality and effective services to al and we go above and beyond our normal duty to provide basic serves to all residents. The Municipality has managed to adequately meet the demand for basic services to all residents and has performed well with the acceleration of its infrastructure development programme.

We have managed to successfully execute our capital programme with a total expenditure of R58 052 000 which constitutes 96 % of the total capital budget. I am proud to announce that the Municipality has managed to collect 95% of all revenue budgeted for the 2017/18 financial year. I would like to thank the ratepayers in Oudtshoorn for their good payment culture, despite the difficult economic times. I would also like to thank our Councillors as well as Ward Committees for their continued contribution towards instilling a culture of good payment in our community.

Guided by its Long-term Financial Plan, continued to practice good and responsible financial management we are improving the financial position of the municipality. The Municipality tabled and approved a credible, compliant and

user-friendly IDP for the year under review. The Executive Mayoral Committee Members attended the IDP meetings, which has led to a much better understanding of the needs and burning issues of our community.

Basic service delivery standards and levels have been sustained with all formal and informal households having access to clean water, sanitation services and refuse removal.

Households with access to Electricity	-	24 391
Households with access to piped water inside dwelling	-	15 988
Households with Sanitation	-	17 405
Waste collection – kerbside weekly	-	41 182

Service Delivery Highlights:

- Successful upgrade of the Dysselsdorp Water Treatment Works
- Successful exploration of Vermaaks river wellfield and equip with boreholes
- Water Institute of Southern Africa Award for Excellence
- Dysseldorp Bulk Infra Structure Phase 2 completed
- Installation of power supply cable between Golf and Union Square substation
- Installation of power supply cable between Union Square and CBD
- Completion of major service on 20 MVA power transformers
- EPWP Projects

Some of the main Human Settlements Projects to be highlighted in the 2017/2018 financial year include:

- The completion of 355 top structures of the Rosevalley Phase 2 project.
- The handover of 299 Title Deeds as part of the Rosevalley Phase 1 and other projects
- The servicing of 266 sites as part of Rosevalley Phase 3
- Received the Award for the Best Informal Settlement Upgrade (tied with Stellenbosch Municipality) at Provincial level
- Runner up on National level for the Govan Mbeki Award for the Rosevalley project (Phase 2)

As part of the Municipality's Housing delivery Programme planning is being done in respect for future housing opportunities in Backjoint, GG Camp, Kanaal, Dysselsdorp and Spekkop

The Municipality proved its continued commitment and willingness to help the poorest of the poor and to alleviate poverty across all communities. In this respect households with an income not exceeding the value of two social grants (R3 200) can apply for an indigent household subsidy. This is another way in which the Municipality reaches out to the vulnerable and needy. For the 2017/18 financial year 5 788 households received indigent support. Indigent households continued to receive 50 kWh of free electricity and 6kl of free water. The Municipality also maintained the discounts on property rates and sewerage charges applicable to pensioners only.

Oudtshoorn over recent years experienced lower rainfall than normal resulting in a shortage of water experienced. As a result, we are encouraging our resident to use water sparingly and responsibly.

Although not a Municipal function, Oudtshoorn Municipality hosts the annual KKNK. During 2017/18, the 24th anniversary of the festival was hosted along with several other international, national and provincial events including the annual Oudtshoorn Sport Festival in June and international and national cycling events.

In conclusion, I would like to thank my fellow-councillors, particularly the members of my Mayoral Committee, as well as the Municipal Manager, Mr Allan Paulse, the management team of the Municipality and all municipal officials for keeping the Oudtshoorn Municipality aligned to its efforts in making Oudtshoorn once again the pride and jewel of the Klein Karoo.

COLAN SYLVESTER

EXECUTIVE MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.1 Municipal Manager's Overview



It gives me great pleasure to comment on the Municipality's progress regarding the overall performances over the last 2 years.

The public expect to receive a rands value for every rand that they pay

Moore & Benington in their book **Public Value** is of the view that public value and related concepts like public good, public interest and the public realm have been actively debated within the political philosophy since the time of the ancient Greeks

Public value describes the value that an organization contributes to society. The term was originally coined by Harvard professor Mark H. Moore who saw it as the equivalent of shareholder value in public management – Wikipedia

"Nelson Mandela said the following "What counts is not the mere fact that we have lived. It is what difference we have made to the lives of others that will determine the significance of the life we lead".

A broken state, cannot be a delivery orientated state that creates public value

- No/Low value for money contracts, road repairs, maintenance, fleet, rentals – Financial losses
- Fruitless and wasteful expenditure (Legal fees ± R45 Million) (Non-functioning Financial system R3.8 Mil)
- Audit fees increased exponentially due to immanent risk factors R6.5 Million p.a. vs. R3 million for similar size (R16.5 Million over 5-year period)
- Excessive prices paid for alternative services. (R&M, Rental of plant & vehicles)
- Future cash flow was committed to debt.
- Service delivery hampered due to cash flow shortage.
- SCM processes circumvented causing Irregular, unauthorised and fruitless and wasteful expenditure.
- No contract management for rentals, facilities and other service contracts
- Operational inefficiencies, under spending of capital budget (MIG)
- Loss of conditional grants due to misappropriation (RBIG) & under-spending (MIG)
- Adverse audit opinion
- Lack of leadership and direction
- Critical vacancies, CFO, HOD Technical, Risk Manager, Performance manager, Manager Income, Expenditure, Budget manager and other management positions as well as senior SCM officers were vacant.
- No oversight (MPAC, Council, Audit committee)
- Break down in internal controls
- No consequence management
- Outdated plans, policies and By-laws
- No maintenance- or procurement plans
- Assets not maintained, service delivery failure, huge backlogs
- Trust relationship with stakeholders broken
- Vulnerable i.r.o. labour matters, Ill-disciplined staff, Low Staff morale, organizational culture
- Increase in litigation and contingent liabilities

Transition from a broken state to creating a public value orientated approach: what did we do?

- Apply Restraint in decisions - *To stop the bleeding*, Overtime, S&T, Entertainment, no luxuries only necessities.
- Take control of all processes, SCM, HR, Expenditure, Revenue
- Perform an in depth analysis of the Institution, Service Delivery, HR, Financial position and - performance, Business processes, Oversight, Internal controls, Revenue, Expenditure, Cash flow, assets and liabilities
- Draft Multi-Year Action Plans to aide in the recovery
- Financial Recovery plan (10 programs included in the project plan)
- Set targets, time frames, ratios, tariffs
- Assign responsibilities
- Monitor, Report, adjust
- Revenue Enhancement Strategy (64 Action Items)
- Cost reduction strategy and austerity measures
- Long Term Financial Plan

Before you can become a public value orientated municipality, you have to be financially sustainable – how was this achieved?

- Management Control supported by:
- Adequate policies, plans and strategies
- Appropriate SCM Processes
- Cost reduction / Austerity Measures
- Revenue Enhancement
- Credit control and debt collection
- Cash Flow management
- Planned approach should contain realistic and achievable targets.
- Must be sanctioned by the right level of authority.
- Must form part of IDP, Budget, MTREF, Long term financial strategy.
- Must be quantifiable i.r.o expenditure limits, revenue targets and operational ratio's
- Must be regular reporting and oversight.
- Must have stakeholder buy-in.
- Must contain timeframes, responsibilities and resources allocated

NA Smit Swimming Pool







Dysselsdorp: Refurbish and Upgrade Waste Water Treatment Works and Upgrade Sports Field Irrigation Phase 2





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Greater Oudtshoorn: Rehabilitate Streets & Asphalt Sidewalks (Kwamanyano Avenue)







18

Greater Oudtshoorn: Rehabilitate Streets & Asphalt Sidewalks (Lyners Avenue)



De Rust: New Bulk Water Supply Line



Historical audit opinions of Oudtshoorn Municipality

- Clean Audit-None
- Unqualified opinion with emphasis of matter items- 2013/14 -129 Audit findings
- Adverse opinion - 2014/15 -200 plus audit findings
- Qualified opinion
 - 2015/16 -100 audit findings
 - 2016/17 -63 audit findings
 - 2017/18 – 54 audit findings

The Audit General of South Africa had the following to say about the Oudtshoorn Municipality for the Audit year 2017/18

"Although the audit outcome has remained unchanged from the prior year, the municipality's control environment has improved considerably and we commend the management of the municipality for the improvement in the internal controls (Page 7/Paragraph 8 Of the Audit General's Management Report for Oudtshoorn Municipality)."

Due to the stability of Council and senior management during the 2017/18 audit year, the municipality's control environment significantly improved in comparison to the prior year (Page 7/Paragraph 9 of the Audit General's Management Report)."

Oudtshoorn financial recovery in brief

The extract hereunder from the Final Management report received from the Audit –General for the period ended 30 June 2018 confirms the improvement of the financial state of affairs of the Municipality

FINANCIAL VIABILITY ASSESSMENT		
	As at 30 June 2018	As at 30 June 2017
OVERALL ASSESSMENT		
Overall the financial viability is assessed as	Green (Good)	Yellow (Concerning)

It is evident, from the aforementioned that the performance of the municipality has significantly improved in 2017/18 financial year. Further to the above, the following is submitted in support of the conclusion reached that the financial position and performance have drastically improved over the last 2 financial years.

A number of key indicators are listed hereunder:

- Debtors collection rate: Increased from 86% in 2015/16 to 95% as at 30 June 2018
- Liquidity ratio: improved from a negative 0.7 :1 to a positive 1.4 :1 illustrating that sufficient funds are available to operate as a going concern and to settle easily settle all current commitments.
- Cash position increased from negative R110 Million in 2016 to a positive unencumbered R75.8 Million as at 31 December 2018, a turnaround of more than R185 Million.
- An operating surplus of R47.1 Million was achieved for the period ended 30 June 2018 compared to an operating deficit of R39 Million for the period ended 30 June 2016.
- Capital investment from own funding amounted to 26 Million over the 2017-2019 period where no funding from owns sources were available in the period preceding administration as well as during the administration period.

- Revenue enhancement efforts added an additional R20 Million to the municipal fiscus through the correction of unbilled revenue.
- Saving and austerity measures curbed expenditure in excess of R10 million over the last two financial years after the administration was lifted.
- All Eskom- and other historical debt, in excess of R88 Million have been in full.

The aforementioned amplified on the annual financial recovery plan of the Oudtshoorn Municipality. As Accounting Officer of the Municipality of Oudtshoorn I am therefore submitting this annual report for approval without hesitation and with the utmost of confidence that we are fulfilling our constitutional mandate.

ALLEN PAULSE

MUNICIPAL MANAGER

1.2 Municipal Overview

This report addresses the performance of the Oudtshoorn Municipality in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2017/18 Annual Report reflects on the performance of the Municipality for the period 1 July 2017 to 30 June 2018. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

1.2.1 Vision and Mission

The Oudtshoorn Municipality committed itself to the following vision and mission:

The Municipality committed itself to the vision and mission of:

Vision:

"Prosperity for all"

Mission:

A responsive municipality creating opportunities for its community through:

- Open, transparent and honest governance;
- Providing innovative, effective and efficient services;
- Promoting sustainability, economic and social development; and
- Safer communities

1.3 Municipal Functions, Population and Environmental Overview

1.3.1 Demographic Profile

Demographics is broadly defined as the study of population dynamics which are significantly influenced by a wide array of factors such as birth and death rates, migration patterns, age, race, gender, life expectancy etc. The importance of understanding demographics as a decisive factor in shaping our current socio-economic reality is therefore critical for governments, economists and politicians alike.

The table below indicates a summary of the demographic profile within the municipal area:

Oudtshoorn Municipal Area		
Indicator	**2011**	**2016**
Population	95 933	97 981
Households	21 910	23 362
People per Household	4.4	4.2

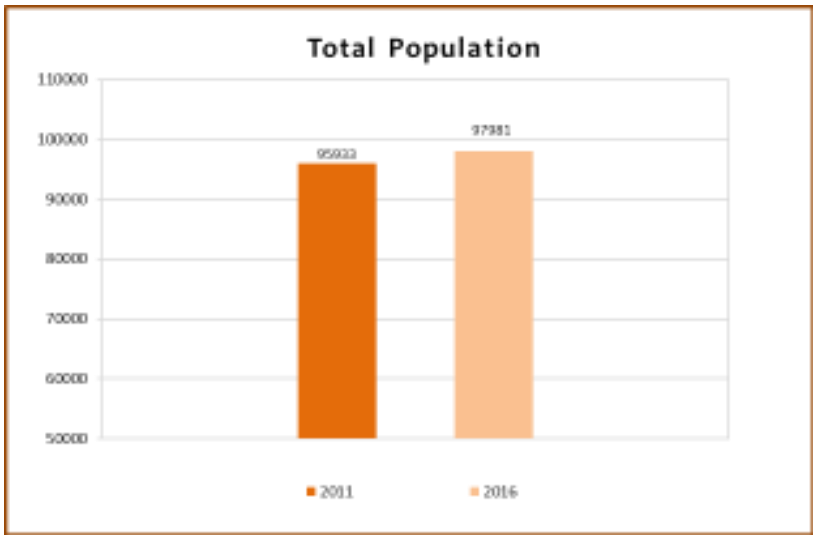
Oudtshoorn Municipal Area			
Indicator		**2011**	**2016**
Sex Ratio		91.8	92.3
Gender Breakdown	**Males**	45 913 (47.9%)	47 720 (48.7%)
	Females	50 021 (52.1%)	50 261 (51.3%)
Age Breakdown	**0 - 14**	28.7%	27.7%
	15 - 64	64.2%	65.1%
	65+	7.2%	7.2%
Source: Community Survey 2016 /The Local Government Handbook – www.municipalities.co.ca			

Table 1 *Demographic Profile*

a) Total Population

According to the forecasts of the Western Cape Department of Social Development, Oudtshoorn's population is estimated to be 97 981 in 2016 compared to 95 933 in 2011. A growth rate of 1.25% recorded from 2001-2011. This total gradually increases across the 5-year planning cycle and is expected to reach 105 556 by 2023. This equates to an approximate 7.7% growth of the 2016 base estimate.

Of the seven local municipalities within the Eden District, approximately 16% of the inhabitants reside in the Oudtshoorn municipal area.



Graph 1. *Total Population*

b) Gender Distribution

The table below indicates the gender distribution within the municipal area:

Gender	2011	2016
Males	45 913 (47.9%)	47 720 (48.7%)
Females	50 021 (52.1%)	50 261 (51.3%)
Source: Community Survey 2016 /The Local Government Handbook – www.municipalities.co.ca		

Demographic Information of the Municipal Area – Gender Distribution

c) Population Groups

The table below indicates the population groups within the municipal area according to the 2011 Census:

Group	2001			2011		
	Male	Female	Total	Male	Female	Total
Coloured	30 901	33 902	64 803	35 233	38 969	74 202
Black African	3 452	3 390	6 842	4 424	4 316	8 740
White	6 232	6 733	12 965	5 620	6 363	11 983
Indian or Asian	48	34	82	189	127	316
Source:Census 2011						

Demographic Information of the Municipal Area

1.3.2 Households

The total number of households within the municipal area is indicated in the table below:

Households	2016/17	2017/18
Number of households in municipal area	14 465	14 876
Number of indigent households in municipal area	5 141	5 788
Percentage of indigent households in municipal area	35.54	38.90

Total Number of Households

1.3.3 Demographic Information

Municipal Geographical Information

Oudtshoorn Local Municipality lies within the boundaries of the Eden District Municipality in the Western Cape Province. Since 5 December 2000, the Oudtshoorn municipal area has included the larger settlements of Oudtshoorn, Dysselsdorp, and De Rust as well as the smaller rural settlements of Volmoed, Schoemanshoek, Spieskamp, Vlakteplaas, Grootkraal, De Hoop and Matjiesrivier.

Oudtshoorn is situated about 60km from George, 82km from Mossel Bay, 460km from Cape Town and 384km from Port Elizabeth. High quality roads link Oudtshoorn with George in the south, Beaufort-West in the north and the rest of the Klein Karoo to the east and west.

The Greater Oudtshoorn area is nestled at the foot of the Swartberg Mountains in the heart of the Little Karoo region in the Western Cape. It is defined as a semi-desert area with a unique and sensitive natural environment. It was once the indigenous home of the Khoisan people, therefore there are many rock paintings in the area. The municipality's development potential recognises the impact of being home to the world's largest ostrich population, which is a key component of their agricultural industry. The discovery of the Cango Caves and continual allure of unique natural heritage has drawn people to this region.

Oudtshoorn serves as a regional centre for the surrounding agricultural area. The natural environment of the area creates a natural hospitality towards the tourism industry and a related boom in accommodation. Oudtshoorn is a centre of regional cultural, sport and art activities and has since 1994, been host to the famous "Klein Karoo Nasionale Kuntefees" (KKNK), an arts festival held in March/April every year. A total of 411 temporary job opportunities were created directly by the KKNK, of which 76% were filled by black employees. The total economic impact of the KKNK is estimated at about R110 million, which makes the festival a major contributor to the economy in Oudtshoorn. A joint strategy was developed through the Greater Oudtshoorn Vision 2030 process to ensure both the broader benefaction of local communities and the sustainability of the festival.

Oudtshoorn's relatively higher 'development potential' is directly linked to its geographic location on main transport routes, natural resource base, human resources, institutional centre function, and commercial services. Recent studies of Oudtshoorn's growth potential identified it as one of 14 important 'leader towns' in the Western Cape Province.

Wards

The Municipality is currently structured into the following **13** wards:

Ward	Areas
1	West side of town: SANDF, Oudtshoorn hospital, Zeelandsnek, Palm village
2	Part of town and rural areas: Volmoed, Kliplokasie, Eiland, De Jager sport complex
3	North, East and South of Town
4	Part of Bridgton, Bongolethu, Thabo Mbeki's Square, Toekomsrus
5	Part of Bridgton, Smartie Town
6	Part of Bridgton, part of Toekomrus, Rosevalley
7	Part of town, Bridgton
8	Bhongolethu, part of Toekomsrus, Zone 14, GG Camp, Canal, Black Joint, Vaalhuise, Newlook, Beverly Hills
9	Dysselsdorp and surrounding areas
10	Dysselsdorp and surrounding areas
11	De Rust, Schoemanshoek, Spieskamp, Vlakteplaas
12	Neppon, Station area, Klipdrif, Zebra, Proefplaas, Rooiheuwel
13	Protea hotel, Alpha, Bridgton Clinic, Bridgton Library, Bridgton Police Station

Table 6 *Municipal Wards*

Below maps of the Municipal area:

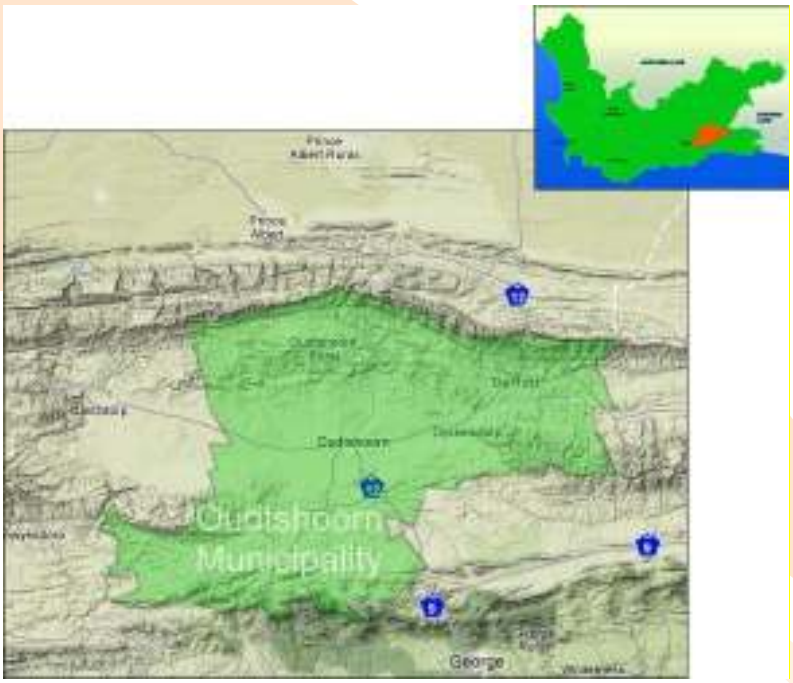


Figure *Locality Map*

Towns

Oudtshoorn

Ostriches are found in great numbers and the region produces the best feathers, leather products and ostrich meat in the world. But the biggest bird is just one of the many attractions in this area of exceptional contrasts and natural beauty. It is also home to the spectacular Cango Caves, Africa's largest show cave system and is in the vicinity of an ecological hotspot where three distinct biomes (succulent Karoo, cape thicket and fynbos) converge.

Dysselsdorp

About 30 km from Oudtshoorn, at the foot of the Kamanassie Mountains, lays Dysselsdorp, a hamlet predominantly owned and inhabited by descendants of erstwhile slaves and people of mixed heritage. Founded in 1838 as a mission station by the London Missionary Society, and in 1877 its approximately one and a half thousand hectares were granted in freehold to the 148 resident families by the then Commissioner of Crown Land, John X Merriman. Residential as well as garden plots were allotted and the town was practically self-sufficient in those days. By and by, however as in most contained small agricultural communities, poverty became a factor and today most of the young people hold jobs in Oudtshoorn or work as seasonal labour on neighbouring farms. Dysselsdorp also boasts a Kolping House, one of a worldwide chain of guest houses where men are taught a trade.

De Rust

De Rust is a small village at the gateway to the Little Karoo and is located at the foot of the Swartberg Mountain range between Oudtshoorn and Beaufort West. De Rust is also known for the meandering Meiringspoort Pass. Meiringspoort is a gateway that connects the Little Karoo and the Great Karoo through a gorge with a 25km road crossing the same river 25 times in the span of the 25km. This area is also well-known for ostrich farming and most of the farmers in the area either farm exclusively with ostriches or as a side-line to their existing farming.

Key Economic Activities

The following key economic activities were identified in the LED strategy:

Key Economic Activities	Description
Community, social and personal services	Oudtshoorn is the centre of regional culture, sports and art cultures (including the famous KKNK festival which has been hosted since 1994). Within municipal boundaries is the world famous Cango Caves which attracts tourists from all over the world. It also benefits from the proximity to the George coastal area which is one of the main economic and tourism hubs in the district
Manufacturing	This sector is key to addressing unemployment in the Oudtshoorn area. The manufacturing sector in the Municipality has expanded strongly and created jobs on a net basis
Agriculture	The agriculture of the district is based mainly around the ostrich farming. As an alternative to the ostrich farming, the seed and goat farming has recently expanded substantially in the area
Airfields	Oudtshoorn has its own airport, which can facilitate smaller planes

Table *Key Economic Activities*

Natural Resources	
Major natural resource	**Relevance to community**
The Cango Caves	Major tourist attraction. Can add value through job creation initiatives
The succulent Karoo	Area unique with natural vegetation. Marketing of area can create job opportunities
Our water resources	Can create job opportunities in the agriculture sector
Our environment	Renewable energy can be created through sun energy project creating job opportunities

Table *Natural Resources*

1.4 Service Delivery Overview

1.4.1 Basic Service Delivery Performance Highlights

The table below indicates the basic service delivery performance highlights for the year:

Highlights	Description
Successful upgrade of the Dysselsdorp Water Treatment Works (WTW)	The Dysselsdorp WTW was successfully upgraded as part of the Water Services Infrastructure Grant (WSIG) project
Successful exploration of new underground wellfield in Vermaaksrivier and equipping of boreholes	Additional water supplies from new boreholes were equipped as part of the water services infrastructure grant project
Water Institute of Southern Africa (WISA) award for excellence	The WISA award was received in recognition of exceptional achievement in enhancing performance at a water care works

Highlights	Description
Dysselsdorp Bulk Infrastructure Phase 2 completed	Phase 2 of the Bulk Infrastructure Project to increase the power supply to Dysselsdorp has been completed. A 3.5 km overhead powerline was constructed from the Eskom main substation to the Dysselsdorp point of supply
Power supply cable installed between Golf and Union Square substations	The first phase of the 22 KV primary network upgrade has been completed
Installation of power supply cable between Union Square substations and Oudtshoorn CBD	The first phase of the installation of a 11 KV capacity power supply cable to Oudtshoorn CBD has been completed
Completion of a major service on 20 MVA power transformers	Major service and maintenance of Union Square transformers were completed
Distribution network maintenance plan	The first maintenance plans of a 5-year revolving cycle have been implemented which included maintenance on MV switchgear and mini-substations
Appointment of additional personnel	The new organigram adopted by Council made provision for the appointment of additional personnel
Completion of the Refuse Removal Plan	The Refuse Removal Plan for the collection of refuse for households and businesses has been completed
Completion of Open Spaces and Street Sweeping Plan	The plan for the sweeping of streets and cleaning of open spaces on a daily basis has been completed
Distribution of black bags	Black bags were distributed quarterly as scheduled
Expanded Public Works Programme (EPWP) projects	Cleaning of open spaces on a daily basis and kerbside cleaning outside households on a weekly basis were conducted as part of an EPWP project

Basic Service Delivery Highlights

1.4.2 Basic Service Delivery Challenges

The table below indicates the basic service delivery challenges for the year:

Description	Actions to address
Bulk water pipe failure underneath Raubenheimer Dam	Refurbishment of flow control valve that causes water hammer
Continuous water quality failure due to the lack of a water treatment plant. Global warming and resultant change in weather patterns necessitate the urgent construction of a water treatment plant	Submit funding applications to obtain funding for a water treatment plant
Internal network failures due to aging of pipes	Budgetary provision must be made for a pipe replacement program
Lack of qualified personnel	Existing personnel must receive training and additional qualified personnel must be appointed
Electrical losses	Implement revenue enhancement methods to curb the percentage of electrical losses
Slow procurement procedures	Procure service providers on a multi-annual basis
Aging infrastructure	Balancing workload and implement maintenance / refurbishment and replacement on risk basis
Copper theft and vandalism	Planning must be conducted with theft and vandalism in mind and methods developed to reduce theft and vandalism
Ageing and breakdown of compactors (refuse removal trucks)	Budgetary provision must be made to replace ageing compactors

Basic Service Delivery Challenges

1.4.3 Number of Households with Access to Basic Services

The table below indicates the number of households with access to basic services:

Description	2016/17	2017/18
Electricity service connections	24 658	24 391
Water - Piped water inside dwelling	16 004	16 357
Sanitation - Households with at least VIP service	24 700	17 405
Waste collection - kerbside collection once a week	40 772	41 182

Table 10 *Households with Access to Basic Services*

1.5 Financial Health Overview

1.5.1 Financial Challenges

Cash flow remains a challenge for the Municipality. A Long-Term Financial Plan that will decrease outstanding creditors and improve the cash flow, has been compiled.

1.5.2 National Key Performance Indicators – Municipal Financial Viability and Management (Ratios)

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the Municipal Systems Act (MSA). These key performance indicators are linked to the National Key Performance Area (KPA) namely Municipal Financial Viability and Management.

Description	KPA & Indicator	2016/17	2017/18
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.77	1.69
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.13	0.12
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	12.40	23.89

Table 11 *National KPI's for Financial Viability and Management*

1.5.3 Financial Overview

Details	2016/17	2017/18		
		Original budget	Adjustment Budget	Actual
	R'000			
Income				
Grants	111 405	143 124	185 502	167 140
Taxes, Levies and Tariffs	386 743	445 465	413 345	408 448
Other	67 585	63 718	44 351	55 480
Sub Total	**565 810**	**652 307**	**643 204**	**631 070**
***Less* Expenditure**	**488 342**	**663 069**	**611 773**	**572 507**
Net surplus/(deficit)	**77 468**	**(10 762)**	**31 431**	**58 563**

Table 17 *Financial Overview*

1.5.5 Total Capital Expenditure

Detail	2016/17	2017/18
	R'000	
Original Budget	47 359	37 236
Adjustment Budget	42 341	67 705
Actual	50 998	58 052

Table 18 *Total Capital Expenditure*

1.6 Organisational Development Overview

1.6.1 Municipal Transformation and Organisational Development Highlights

The table below indicates the municipal transformation and organisational development highlights for the year:

Highlights	Description
Mayco/Mancom meetings	Mayco/Mancom meetings were introduced to discuss service delivery issues in a structured manner
Portfolio committee meetings	Portfolio committee meetings were introduced
Establishment of Municipal Public Accounts Committee (MPAC)	MPAC was established and is functioning effectively
Induction of new employees every 2 – 3 months	Implementation of a well-structured induction programme for all newly appointed employees
SAGE Premier Human Resource (HR) system	Cleansing and updating of the SAGE Premier HR system
Training and development (Internships)	The Internship programme was conducted and funded with own funding
Certificate Ceremony	The Oudtshoorn Municipality had a certificate ceremony earlier this year for the employees who achieved competence in various training programmes. It was a huge milestone and accomplishment for the employees to be awarded formally with an event

Highlights	Description
Establishment of the employee wellness structure	Two employees were appointed and the Employee Wellness Committee was approved and established and is currently functioning well

Table 14 *Municipal Transformation and Organisational Development Highlights*

1.6.2 Municipal Transformation and Organisational Development Challenges

The table below indicates the municipal transformation and organisational development challenges for the year:

Challenge	Actions to address
18 Council meetings and 11 Mayco meetings were conducted. The number of Council meetings indicates that items are not being prepared timeously which leads to an increase in costs, printing of agendas and minutes, overtime for Council and committee staff	Items must be submitted and prepared in due time to avoid additional Council meetings. Deadlines must be adhered to
Lack of proper communication	Conduct communication training and familiarise relevant stakeholders with policies
Low morale of the personnel	Conducting various need based programmes

Table 15 *Municipal Transformation and Organisational Development Challenges*

1.7 Auditor-General Report

1.7.1 Audited Outcomes

Year	2016/17	2017/18
Opinion received	Qualified Audit Opinion	Qualified Audit Opinion

Table 16 *Audit Outcomes*

CHAPTER 2

The Western Cape Provincial Executive initially intervened in the Oudtshoorn Municipality in terms of Section 139(1)(b) of the Constitution for a period of six months from 31 July 2015 to 30 January 2016. The intervention was necessitated by the consistent failures of the Municipal Council over a prolonged period of time to fulfil its executive obligations. At the commencement of the intervention, Council retained its executive and legislative authority and the Administrator could only take decisions on behalf of Council should it not be able to do so. The aforesaid arrangements did not yield the desired results due to continued political struggles for control which defeated the purpose of the intervention. The terms of the intervention were then amended by vesting all executive authority in the Administrator as from September 2015 for the remainder of the intervention. Council retained its legislative authority throughout. The period of the intervention was later extended until the new Municipal Council is declared elected subsequent to the local government elections on 3 August 2016. Additional to the Section 139(1)(b) intervention, the National Minister of Cooperative Governance and Traditional Affairs and the Provincial Minister responsible for Local Government, offered the Municipality a support package in terms of Section 154 of the Constitution. Council on 17 July 2015 accepted the Provincial intervention, as well as the support and good governance package offered by both the Provincial and the National Minister.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 National Key Performance Indicators - Good Governance and Public Participation

The following table indicates the Municipality's performance in terms of the National Key Performance Indicator required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and Section 43 of the MSA. This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

KPA & Indicators	Municipal Achievement 2016/17	Municipal Achievement 2017/18
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the Municipality's Integrated Development Plan	82%	96%

National KPIs - Good Governance and Public Participation Performance

2.2 Governance Structure

2.2.1 Political Governance Structure

The Council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles and have delegated their executive function to the Executive Mayor and the Mayoral Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, Councillors are also actively involved in community work and the various social programmes in the municipal area.

a) Council

Below is a table that categorise the councillors within their specific political parties and wards:

Council Members	Capacity	Political Party	Ward representing or proportional
J Le Roux Krowitz	Speaker	Democratic Alliance	Ward 1
C Sylvester	Executive Mayor	Democratic Alliance	Proportional
N Mwati	Executive Deputy Mayor & Portfolio Chairperson: Human Settlements	Democratic Alliance	Proportional
G Kersop	Chairperson: Financial Services	Democratic Alliance	Ward 2
D Fourie	Chairperson: Technical Services	Democratic Alliance	Ward 3
E Fortuin	Chairperson: Corporate Services	Democratic Alliance	Ward 4
H Ruiters	Chairperson: Community Services	Democratic Alliance	Ward 5
Vacant	Chairperson: Strategic Services	Vacant	Vacant
J Lambaatjeen	Councillor	Democratic Alliance	Ward 6
L Wagenaar	Councillor	Democratic Alliance	Ward 7
L Stone	Councillor	African National Congress	Ward 8
H Botha	Councillor	Democratic Alliance	Ward 9
N Soman	Councillor	Democratic Alliance	Ward 10
R Wildschut	Councillor	Democratic Alliance	Ward 11
H Human	Councillor	Democratic Alliance	Ward 12
Vacant	Councillor	Vacant	Ward 13
M Titus	Councillor	African National Congress	Proportional
N Magopeni	Councillor	African National Congress	Proportional
H Tyatya	Councillor	African National Congress	Proportional
J Floors	Councillor	African National Congress	Proportional
C Cobus	Councillor	African National Congress	Proportional
K Windvogel	Councillor	African National Congress	Proportional
D Maarman	Councillor	Economic Freedom Fighters	Proportional
V Donson	Councillor	Independent Civic Organization of South Africa	Proportional
B Owen	Councillor	Independent Civic Organization of South Africa	Proportional
G Juthe	Councillor	South African Religious Civic Organization	Proportional

The Council

Below is a table which indicates the Council meeting attendance for the 2017/18 financial year:

Meeting dates	Meeting	Council Meetings Attendance	Apologies for non-attendance
10 August 2017	Special Council	17	7
30 August 2017	Special Council	21	4
4 October 2017	Ordinary Council	21	1
19 October 2017	Special Council	19	3
26 October 2017	Special Council	18	3
29 November 2017	Special Council	17	4
12 December 2017	Ordinary Council	23	1
19 December 2017	Special Council	20	5
30 January 2018	Ordinary Council	22	2
27 February 2018	Special Council	18	1
9 March 2018	Special Council	15	5
29 March 2018	Special Council	19	3
24 April 2018	Special Council	18	2
26 April 2018	Special Council	17	6
9 May 2018	Special Council	17	3
31 May 2018	Special Council	20	2
8 June 2018	Special Council	21	1
29 June 2018	Ordinary Council	21	1

Council Meetings

b) Executive Mayoral Committee

The Executive Mayor of the Municipality, Cllr CF Sylvester, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the center of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The table below indicates the members of the Mayoral Committee and their capacity:

Name of member	Capacity
CF Sylvester	Executive Mayor
NV Mwati	Executive Deputy Mayor & Portfolio Chairperson: Human Settlements
GJ Kersop	Chairperson: Financial Services
DJ Fourie	Chairperson: Technical Services
E Fortuin	Chairperson: Corporate Services
H Ruiters	Chairperson: Community Services
Vacant	Chairperson: Strategic Services

Mayoral Committee Members

2.2.2 Administrative Governance Structure

The table below indicates the administrative governance structure for the period under review:

Name of Official	Position
A Paulse	Municipal Manager
F Lötter	Director: Financial Services
R Smit	Director: Corporate Services
T Matthee	Director: Community Services
Vacant	Director: Strategic Services
AC Koch	Director: Technical Services
S Sims (appointed 2 June 2018)	Acting Director: Human Settlements

Administrative Governance Structure

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 Intergovernmental Relations

In terms of the Constitution of South Africa, all spheres of government and all organs of state within each sphere must co-operate with one another in mutual trust and good faith fostering friendly relations. They must assist and support one another, inform and consult one another on matters of common interest; coordinate their actions, adhere to agreed procedures and avoid legal proceedings against one another.

2.3.1 Intergovernmental Structures

To adhere to the principles of the Constitution as mentioned above the Municipality participates in the following intergovernmental structures:

Name of Structure	Members	Outcomes of Engagements/Topics Discussed
National Structures		
Municipal Managers Forum	SALGA, Municipal Managers	Management and best practice on municipal structures & systems
SALGA Working Groups	SALGA, Mayors, Councillors, Directors, Officials,	Working groups on economic, community services, financial services, basic infrastructure
Provincial Structures		
MINMAY	Ministers, Mayors, Premier, MM's	Best practice, strategic focus areas
MINMAY-TECH	MM's, Head of Departments, Officials	Discuss technical aspects on service delivery
PCF	MM's, Head of Departments, Officials	Discuss technical aspects on service delivery
Provincial CFO Forum	CFO's of all municipalities, Provincial Treasury	Financial aspects & budget coordination
Provincial MM Forum	SALGA, Municipal Managers	Management and best practice on municipal structures & systems
Provincial Communication Forum	Municipal communication officials, provincial officials and public participation officials	Discuss communication, ward committee and public participation
District Structures		
Garden Route District IDP Forum	IDP Managers of municipalities, District Officials and Provincial Departments	- Support to IDP alignment processes. - Best Practice for public engagement. - Support to sector departments engagements - Support to IDP representative forum meetings - Support for legal compliance - Hands on support on Section 26 of MSA. - Support for IDP planning processes
LED District Forum	LED Managers, Provincial Dept. Economic Development, WESGRO	Economic development and investment opportunities
District Infrastructure Forum	Managers Infrastructure, Technical Officials	Roads, water, electricity, basic infrastructure, sanitation etc.
District Disaster Management Forum	Managers responsible for disaster management, fire services	Disaster Management, Fire Services

Table 22 *Intergovernmental Structures*

2.3.2 Joint Projects and Functions with Sector Departments

All the functions of government are divided between the different spheres namely national, provincial and local. The Municipality therefore share their area and community with other spheres of government and their various sector departments and should work closely with national and provincial departments to ensure the effective implementation of various projects and functions. The table below provides detail of such projects and functions:

Name of Project/ Function	Expected Outcome/s of the Project	Sector Department/s involved	Contribution of Sector Department
CRDP – Comprehensive Rural Development Programme	Reduce poverty and grow rural areas into vibrant economic areas	National Department Rural Development, Provincial Department Agriculture, All Provincial Sector Departments, Eden District, ODN Municipality	Established steering committee with municipality and other provincial sector departments Development of strategy and implementation programme Implement programmes related to each department
Financial Recovery Programme	Following the municipality's administration process financial recovery programme developed	National Treasury, Provincial Treasury, Municipality	Development of strategy and implementation programme Implement the financial recovery initiatives

Joint Projects and Functions with Sector Departments

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 16 of the Municipal Systems Act (MSA) refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose, it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of the performance, including the outcomes and impact of such performance; and
- preparation of the municipal budget.

2.4 Public Meetings

The table below indicates the public meetings that were conducted during the year:

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending
Ward Feedback Meetings	June – September 2017	Ward Councillors	n/a	n/a
Information Session on Phelephepha Train	28 August 2017 1 September 2017 4 – 8 September 2017	n/a	n/a	n/a

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending
Grootkop Solid Waste Site	27 February 2018	9	13	n/a
Mayoral Imbizo's (IDP/Budget) Wards 1, 2, 3 & 7	9 April 2018	7	21	17
Mayoral Imbizo's (IDP/Budget) Wards 4 & 8	10 April 2018	4	27	44
Mayoral Imbizo's (IDP/Budget) Wards 4 & 5	11 April 2018	6	22	27
Mayoral Imbizo's (IDP/Budget) Wards 6	12 April 2018	3	20	40
Mayoral Imbizo's (IDP/Budget) Wards 7 & 13	16 April 2018	5	19	32
Mayoral Imbizo's (IDP/Budget) Wards 9 & 10	17 April 2018	4	16	130
Mayoral Imbizo's (IDP/Budget) Wards 11	18 April 2018	2	15	51
Mayoral Imbizo's (IDP/Budget) Wards 12	n/a	n/a	n/a	19
Mayoral Imbizo's (IDP/Budget) Wards 2	23 April 2018	6	13	27
Western Cape Provincial Parliament – School Education Amendment Bill	26 June 2018	n/a	n/a	n/a

Table 21 *Public Meetings*

2.4.1 Representative Forums

a) Labour Forum

The table below specifies the members of the Labour Forum for the 2017/18 financial year:

Name of representative	Capacity
M Ngalo	(Chairperson – SAMWU Shop Steward)
Z Phillips	Councillor
E Ngalo	Councillor
B Van Wyk	Councillor
J Fourie	Councillor

Table 22 *Labour Forum*

2.4.2 Ward Committees

Ward Committee meetings are held in all 13 wards of the Municipality with the specific intention to capture community-based needs and opinions. These meetings inform and report on public needs, planning and budgeting as well as strategic objectives.

Ward councillors with their ward committees conduct public meetings twice a year to discuss ward plans and service delivery shortcomings and report on the success /failure of intended projects.

Attendance of the public is determined by their personal needs at the time of the meeting, otherwise there is very little interest shown in such meetings. Attendance is often very poor at approximately 80 – 120 people attending.

Municipal officials from all departments are allocated to attend all public meetings to ensure attention to all matters arising.

Transport is provided, where necessary, to ward committee members to attend ward committee meetings and functions where public participation through the ward committee system is required. The venues have been established for the meetings. Support personnel, through the community liaison officers and community development workers, have been put at their disposal.

A stipend of R350 per meeting has been approved for all ward committee members, provided that they attend at least one ward committee meeting per month as part of their participatory functions as ward committee members.

Ward 1: West side of town: SANDF, Oudtshoorn hospital, Zeelandsnek, Palm village

Name of representative	Capacity representing	Dates of meetings held during the year
J Le Roux Krowitz	Chairperson	17 July 2017 4 September 2017 12 February 2018 7 May 2018
B Joubert	Infrastructure	
C Van Huyssteen	Social Development	

Ward 1 Committee Meetings

Ward 2: Town, Part of town and rural areas: Volmoed, Kliplokasie, Eiland, De Jager sport complex

Name of representative	Capacity representing	Dates of meetings held during the year
G Kersop	Chairperson	5 September 2017 8 May 2018
B. Langhtrey	n/a	
G. Wagner	n/a	
D Johannes	Sport and Youth	
E. Slabbert	n/a	
A Piedt	Agriculture & Environmental Affairs	
J Swart	Education, Social Development and Disability	
H Marais	Rates and Tax	
E Booysen	Health Department	
S Adams	Arts and Culture	

Ward 2 Committee Meetings

Ward 3: North, East and South of Town

Name of representative	Capacity representing	Dates of meetings held during the year
D Fourie	Chairperson	26 July 2017 6 September 2017 8 November 2017 9 May 2018
A Kameel	Arts and Culture	
A Meyer	Education and Youth	
J Erasmus	Welfare and Sport	
J Davel	Business	
J Stokes	Environment	
J Zana	Health	
Martina Roos	n/a	
Junaid Phiri	n/a	
J Swartbooi	Safety and Religion	

Ward 3 Committee Meetings

Ward 4: Part of Bridgton, Bongolethu, Thabo Mbeki's Square, Toekomsrus

Name of representative	Capacity representing	Dates of meetings held during the year
E Fortuin	Chairperson	1 August 2017 7 September 2017 9 November 2017 10 May 2018
F Isaac	Social Development	
S Maxim	n/a	
D Lucas	Welfare	
F September	Infrastructure	
A Opperman	Health and Education	
K Sekile	Business	
S Kulman	Art and Culture	
H Barends	Art and Culture	
J Booysen	Safety	

Ward 4 Committee Meetings

Ward 5: Part of Bridgton, Smartie Town

Name of representative	Capacity representing	Dates of meetings held during the year
H Ruiters	Chairperson	2 August 2017 11 September 2017 13 November 2017 5 June 2018
M Koelman	n/a	
B Prins	n/a	
M Stalmeester	n/a	
M Coerecius	n/a	
J Jansen	Business	
K Loggenberg	n/a	
J Pritchard	Youth	
L Micheals	Education	
R Jansen	Community Development	

Table 30: *Ward 5 Committee Meetings*

Ward 6: Part of Bridgton, part of Toekomrus, Rosevalley

Name of representative	Capacity representing	Dates of meetings held during the year
J Lambaatjeen	Chairperson	31 July 2017 12 September 2017 14 November 2017 15 May 2018
L Prins	Welfare	
E Dyssel	Safety	
A Sederstroom	Environment	
K Malgas	n/a	
P Stuurman	Religion	
J Weyers	Health	
A Hess	n/a	
M Moses	Youth	
S Jacobs	Education	

Table 31: *Ward 6 Committee Meetings*

Ward 7: Part of town, Bridgton

Name of representative	Capacity representing	Dates of meetings held during the year
P Wagenaar	Chairperson	27 July 2017 13 September 2017 22 November 2017 4 June 2018
R Cooper	Business, Sport and Recreation	
J Coetzee	Social Development and Health	
D Ruiters	Environment	
F Schroeder	n/a	
D Everts	Safety	
J Patrick	Tourism	

Table 32: *Ward 7 Committee Meetings*

Ward 8: Bhongolethu, part of Toekomsrus, Zone 14, GG Camp, Canal, Black Joint, Vaalhuise, Newlook, Beverly Hills

Name of representative	Capacity representing	Dates of meetings held during the year
L Stone	Chairperson	3 August 2017 14 September 2017 16 November 2017 17 May 2018
G Van Wyk	Water and Sanitation	
T Ngqumnte	Social Development	
X Ngalo	Sport and Youth	
V Misani	Health	
L Dani	Business	
L Barends	Religion	
K Lewendal	Community Programmes	
G Florence	Education	
S Collins	Safety	
F Bergh	Environment	

Table 33: *Ward 8 Committee Meetings*

Ward 9: Dysselsdorp and surrounding areas

Name of representative	Capacity representing	Dates of meetings held during the year
H Botha	Chairperson	15 August 2017 26 September 2017 21 May 2018
N Ewerts	Rates and Taxes	
U Oktober	Sport	
J Prinsloo	Business	
J Moos	Community Development	
C Stefanus	Rural Development	
P Van Rooyen	Rural Development	
B Matthews	n/a	
E De Villiers	EPWP/CWP Community Programmes	
S Rabie	Youth	
P Malgas	Youth	

Ward 9 Committee Meetings

Ward 10: Dysselsdorp and surrounding areas

Name of representative	Capacity representing	Dates of meetings held during the year
N Soman	Chairperson	8 August 2017 22 May 2018
L Rabie	Business	
H Korkee	Community Development	
D Jansen	Infrastructure	
G Lewis	Social Development	
E Kock	n/a	
L Kapiera	n/a	
C Lewis	n/a	
R Lewis	n/a	
I Titus	n/a	
R Washinggreen	n/a	

Ward 10 Committee Meetings

Ward 11: De Rust, Schoemanshoek, Spieskamp, Vlakteplaas

Name of representative	Capacity representing	Dates of meetings held during the year
R Wildschut	Chairperson	23 May 2018
A Tiemie	Secretary	
J Afrika	Deputy Chairperson	
R September	n/a	
A Januarie	n/a	
H Fortuin	n/a	
S Campbell	n/a	
B Campher	n/a	

Name of representative	Capacity representing	Dates of meetings held during the year
G Heyneke	n/a	
A Minnie	n/a	
A Mart	n/a	

Table 27 Ward 11 Committee Meetings

Ward 12: Neppon, Station area, Klipdrif, Zebra, Proefplaas, Rooiheuwel

Name of representative	Capacity representing	Dates of meetings held during the year
H Human	Chairperson	19 July 2017 2 October 2017 29 November 2017 24 May 2018
M Matiwana	Social Development and Education	
S Meiring	Community Programmes and Youth	
E Stuurman	Social Development	
J Swiegelaar	Religion	
I Cupido	Rural Development	
J Kortjie	Religion	
J Sampson	Sport and Youth	
P Cupido	Safety	
S Malgas	Arts and Culture	

Table 28 Ward 12 Committee Meetings

Ward 13: Protea hotel, Alpha, Bridgton Clinic, Bridgton Library, Bridgton Police Station

Name of representative	Capacity representing	Dates of meetings held during the year
M Theyse	Chairperson	3 October 2017 6 June 2018
J Plaatjies	Social Development	
L Majola	Community Programmes	
L Jacobs	Water and Sanitation	
C Jacobs	Health	
W Cobus	Arts and Culture	
C Ceaser	Youth and Sport	
B Arendse	Education	
S Barnard	Environment	
J Carnary	Safety	
M Hufke	n/a	

Table 29 Ward 13 Committee Meetings

COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

2.5 Audit Committee

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must –

(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

- internal financial control and internal audit
- risk management
- accounting policies
- the adequacy, reliability and accuracy of financial reporting information
- performance management
- effective governance
- compliance with this Act
- the annual Division of Revenue Act and any other applicable legislation
- performance evaluation
- any other issues referred to it by the municipality

2.5.1 Functions of the Audit Committee

The main functions of the Audit Committee are prescribed in Section 166 (2)(a-e) of the MFMA, which is further supplemented by the Local Government Municipal and Performance Management Regulation, as well as the approved Audit Committee Charter.

2.5.2 Members of the Audit Committee

Name of representative	Capacity	Meeting dates
J du Preez	Chairperson	24 August 2017 8 December 2017 22 March 2018 12 April 2018 20 June 2018
H Lamprecht	Member	
I Lorentz	Member	
R Ewerts	Member	
R van Rooyen	Member	

Audit Committee

2.6 Internal Auditing

Section 165 (2)(a), (b)(iv) of the MFMA requires that:

The internal audit unit of a municipality must –

(a) prepare a risk-based audit plan and an internal audit program for each financial year

(b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:

(i) Internal audit
(ii) internal controls
(iii) accounting procedures and practices
(iv) risk and risk management
(v) performance management
(vi) loss control
(vii) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation

(c) perform such other duties as may be assigned to it by the accounting officer

The Internal Audit is an independent section in the Office of the Municipal Manager at Oudtshoorn Municipality and forms a significant part of governance within the Municipality, contributing to ensure good governance and regulatory reform. Internal Audit is mandated to provide independent, objective assurance and consulting service, towards adding value and improve the Municipality's operations.

Relating to and during the 2017/18 financial year the following Internal Audit reports were issued:

No.	Internal Audit Reports issued
1	MFMA Compliance
2	DoRA 2016/2017
3	Performance management compliance
4	Financial reporting
5	Governance
6	SCM: Regulations Section 32 compliance
7	SCM: Procurement process – Written quotations less than R 30 000
8	Salaries Employee benefits
9	Recruitment
10	Financial losses
11	Follow up reports of previous audits
12	OPCAR 2016/17
13	IT
14	Cost of rental equipment
15	Contracts
16	Short term insurance portfolio

No.	Internal Audit Reports issued
17	Various special investigations

Internal Audit Reports Issued

2.7 Supply Chain Management

2.7.1 Competitive Bids in Excess of R200 000

a) Bid Committee Meetings

The following table details the number of bid committee meetings held for the 2017/18 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
23	25	25

Bid Committee Meetings

The attendance of members of the bid specification committee are as follows:

Member (Capacity)	Percentage attendance
Manager: Fire & Disaster Manager	4
Manager: Fleet	4
Senior Manager: Electrical Services	13
SCM Manager	30
Senior Accountant: Accounting	17
SCM Practitioner	30
Manager: Revenue	87
Manager ICT	17
Acting Operational Manager: Cango Cave	9
Logistics Operator Cango Caves	9

Attendance of Members of Bid Specification Committee

All role players are attending meetings to ensure complete specifications.

The attendance of members of the bid evaluation committee is as follows:

Member	Percentage attendance
Manager: Job Creation	12
Acting Manager: Housing	4
SCM: Buyer	20
SCM Practitioner (1)	68
Manager: Technical Services	8
Manager: Fleet	4
Manager: ICT	24
Senior Accountant: Accounting	32
Manager: Street & Storm Water	20

Member	Percentage attendance
Senior Engineering Technician	20
Manager: Expenditure	8
SCM Practitioner (2) Senior Accountant	28
SCM Practitioner (3)	12
Manager: Revenue	12

Attendance of Members of Bid Evaluation Committee

Legal Services gives inputs if requested.

The attendance of members of the bid adjudication committee is as follows:

Member	Percentage attendance
Chief Financial Officer	76
Director Corporate Services	32
Director Technical Services	60
Director Community Services	56
Senior Manager Strategic Services	52
SCM Manager	80
D Visagie (Acting Corporate Services)	36
M Konnie (Acting Community Services)	12
P Tofile (Acting Corporate Services)	4
M Du Plessis (Acting Chief Financial Officer)	8
P Muller (Acting Technical Services)	4

Attendance of Members of Bid Adjudication Committee

The percentages as indicated above include the attendance of those officials acting in the position of a bid committee member.

b) Awards Made by the Bid Adjudication Committee

The bid adjudication committee awarded 31 bids with an estimated value of R20 million. The highest bids awarded by the bid adjudication committee are as follows:

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded
SCM 65/2017	Refurbishment of the Dysselsdorp Wastewater Treatment works and Irrigation pump system	Technical Services	Khubeka Construction	R6 217 197.59
SCM 01/2018	Water Connection between Klein Karoo Rural water supply schemes and ASLA Reservoir De Rust	Technical Services	Meyer Beton	R8 570 585.12
SCM 95/2017	Re-advertise- Commissioning of new boreholes in Vermaaks Rivier and Varkies Kloof	Technical Services	Hidro-Tech Systems (Pty) Ltd	R6 463 895.55

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded
SCM 77/2017	SCM 77/2017: Provision of technical accounting services for a period of 3 years	Financial Services	Mubesko Africa	R2 352 937.00

Highest Bids Awarded by Bid Adjudication Committee

c) Appeals Lodged by Aggrieved Bidders

Twenty-four objections were received for the period under review.

d) Awards Made in terms of Preferential Procurement Regulations, 2011

All awards above R200 000 were made in terms of the above-mentioned Regulation and any deviation was approved by the Municipal Manager.

2.7.2 Deviation from Normal Procurement Processes

Paragraph 36 of Council's SCM Policy allows the Accounting Officer to dispense with the official procurement process. Deviations amounting to **R16 443 634.01** were approved by the Accounting Officer. The following table provides a summary of deviations approved for 2017/18

Type of deviation	Number of deviations	Value of deviations	Percentage of total deviations value
Sole Provider	6	R115 492,25	0.70
Impractical / Exceptional	55	R3 231 190,84	19.65
Emergency	11	R13 096 950,92	79.65

Summary of Deviations

Deviations from the normal procurement processes have been monitored closely since the start of the previous financial year. Monthly reporting in terms of paragraph 36 of the SCM Policy has been complied with.

2.7.3 Logistics Management

The system of logistics management must ensure the following:

- the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock
- the placing of manual or electronic orders for all acquisitions other than those from petty cash
- before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract
- appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased
- regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes

- Monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for goods or services

Each stock item at the municipal stores, 26 Church Street, Oudtshoorn is coded and is listed on the financial system. Monthly monitoring of patterns of issues and receipts are performed by the Storekeeper.

Inventory levels are set at the start of each financial year. These levels are set for normal operations. If special projects are being launched by departments, such information is not communicated timely to the Stores section in order for them to gear them to order stock in excess of the normal levels.

Internal controls are in place to ensure that goods and service that are received are certified by the responsible person which is in line with the general conditions of contract.

Regular checking of the condition of stock is performed. Quarterly stock counts are performed at which surpluses, deficits, damaged and redundant stock items are identified and reported to Council.

2.7.4 Disposal Management

The system of disposal management must ensure the following:

- immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise
- movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous
- firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee
- immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise
- all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed
- where assets are traded in for other assets, the highest possible trade-in price is negotiated;
- in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment

The Municipality complies with Section 14 of the MFMA which deals with the disposal of capital assets. The disposal process plan was finalised in August 2010 and aims to provide the guidelines for the disposal of all obsolete and damaged assets.

2.7.5 SCM Performance Indicators

The SCM Policy requires that an internal monitoring system be established and implemented to determine, on the basis of retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM Policy were achieved.

Monitoring of internal processes is an on-going process. Standard operating procedures are being prepared. Templates of required documents were distributed to all SCM role players to ensure compliance in terms of processes. All complaints are captured in a register and control measures are implemented to address the latter. Irregular, fruitless and wasteful

expenditure were identified and reports are regularly submitted to the Section 32 Committee for recommendations to Council (Section 32 of the MFMA refers). The following table details the performance for each of those key performance indicators:

Key performance indicator	2016/17	2017/18
Ensure that tenders are successfully finalised and awarded within the validity period of the tender to enhance effective delivery of services	85%	84%
Provide administrative support to the bid and adjudication committees to ensure fast and effective SCM processes	100%	100%
Compliance with the SCM Act measured by the limitation of successful appeals against the Municipality	90%	100%

SCM Performance Indicators

2.8 Communication

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa and other statutory enactments all impose an obligation on local government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

Good customer care is clearly of fundamental importance to any organisation. A successful communication strategy therefore links the people to the Municipality's programme for the year. Below is a communication checklist of the compliance to the communication requirements:

2.8.1 Communication Activities

Communication activities	Description
Functional complaint management systems	The system exists but is not optimally utilised. Plans are underway to properly utilise the Collaborator System for complaints. An additional platform called Citizen Engagement Application is being developed

Communication Activities

2.8.2 Newsletters

Type of Newsletter	Issues distributed	Circulation number	Frequency
External Newsletter	12	23 000	Monthly

Newsletters

2.8.3 Additional Communication Channels Utilised

Channel	Yes/No
Call system and WhatsApp	Yes
Social Media: Facebook	Yes
Social Media: Twitter	Yes

Channel	Yes/No
Website	Yes
Media (Local, Regional & National)	Yes
Public Meetings	Yes

Communication Activities

2.9 Website

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Section 21A and B of the MSA as amended.

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. It is a communication tool that should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the municipality's communication strategy.

The table below gives an indication about the information and documents that are published on our website.

Description of information and/or document	Yes/No
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Draft Budget 2017/18	Yes
Adjusted Budget 2017/18	Yes
Customer Care, Credit Control & Debt Collection Policy	Yes
Indigent Policy	Yes
Investment & Cash Management Policy	Yes
Rates Policy	No
Supply Chain Management Policy	Yes
Tariff Policy	Yes
SDBIP 2017/18	Yes
IDP and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)	
Reviewed IDP for 2017/18	Yes
IDP Process Plan for 2017/18	Yes
Supply Chain Management (Sections 14(2), 33, 37 & 75(1)(e) & (f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)	
Long term borrowing contracts	Yes

Description of information and/or document	Yes/No
Section 37 of the MFMA; No 56 of 2003 (Unsolicited Bids/Contracts)	No
Public invitations for formal price quotations	No
Reports (Sections 52(d), 71, 72 & 75(1)(c) and 129(3) of the Municipal Finance Management Act)	
Annual Report of 2016/17	Yes
Mid-year budget and performance assessment	Yes
Quarterly reports	Yes
Monthly Budget Statement	Yes
Local Economic Development (Section 26(c) of the Municipal Systems Act)	
Local Economic Development Strategy	Yes
Economic Profile	Yes
Performance Management (Section 75(1)(d) of the Municipal Finance Management Act)	
Performance agreements for employees appointed as per S57 of Municipal Systems Act	Yes

Website Checklist

CHAPTER 3

This chapter provides an overview of the key service achievements of the Municipality that came to fruition during 2017/18 in terms of the deliverables achieved compared to the key performance objectives and indicators in the Integrated Development Plan (IDP).

3.1 Overview of Performance within the Organisation

Performance management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the Municipality.

At local government level performance management is institutionalised through the legislative requirements on the performance management process for local government. Performance management provides the mechanism to measure whether targets are met in order to meet its strategic goals.

3.1.1 Legislative Requirements

The Constitution, Section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of Section 195 (1) are also linked with the concept of performance management, with reference to the principles of inter alia:

- the promotion of efficient, economic and effective use of resources
- accountable public administration
- to be transparent by providing information
- to be responsive to the needs of the community
- to facilitate a culture of public service and accountability amongst staff

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the IDP to be aligned with the municipal budget and monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In terms of Section 46(1)(a) of the MSA, a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with the performance of the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

3.1.2 Performance Management

Performance management is prescribed by Chapter 6 of the MSA and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7(1) of the aforementioned regulation states that "A municipality's

performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of the different role players." This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance. The Performance Management Framework is currently under review and will be submitted to Council for adoption in the 2018/19 financial year.

3.1.3 Organisational Performance

Strategic performance indicates how well the Municipality is meeting its objectives and which policies and processing are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlights the strategic performance in terms of the Municipality's Top Layer SDBIP, high level performance in terms of the National Key Performance Areas, performance on the National Key Performance Indicators (KPIs) prescribed in terms of Section 43 of the MSA and an overall summary of performance on municipal services.

The organisational performance is monitored and evaluated via the Top Layer SDBIP. The Top Layer SDBIP for 2017/18 was approved by the Mayor on 20 June 2017.

3.1.4 Individual Performance: Municipal Manager and Managers Directly Accountable to the Municipal Manager

The MSA prescribes that the Municipality must enter into performance-based agreements with all the Section 57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the Municipal Manager and applicable directors for the 2017/18 financial year was signed on 30 June 2017.

The formal appraisal of the actual performance takes place twice per annum as regulated. The final evaluation of the 2016/17 financial year (1 January 2017 to 30 June 2017) took place on 12 October 2017 and the mid-year performance of 2017/18 (1 July 2017 to 31 December 2017) took place on 13 March 2018.

3.1.5 The IDP and the Budget

Both the IDP and budget for 2017/18 was reviewed and approved on 30 May 2017. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation, management, monitoring and evaluation of the IDP.

The Top Layer SDBIP was revised with the Adjustments Budget in terms of Section 26 (2)(c) of the Municipal Budget and Reporting Regulations and Section 54(1)(c) of the MFMA and an amended Top Layer SDBIP was approved by Council.

3.1.6 Actual Performance

The Municipality utilises an electronic web-based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set
- A performance comment
- Actions to improve the performance against the target set, if the target was not achieved

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results.

3.2 Strategic Service Delivery Budget Implementation Plan

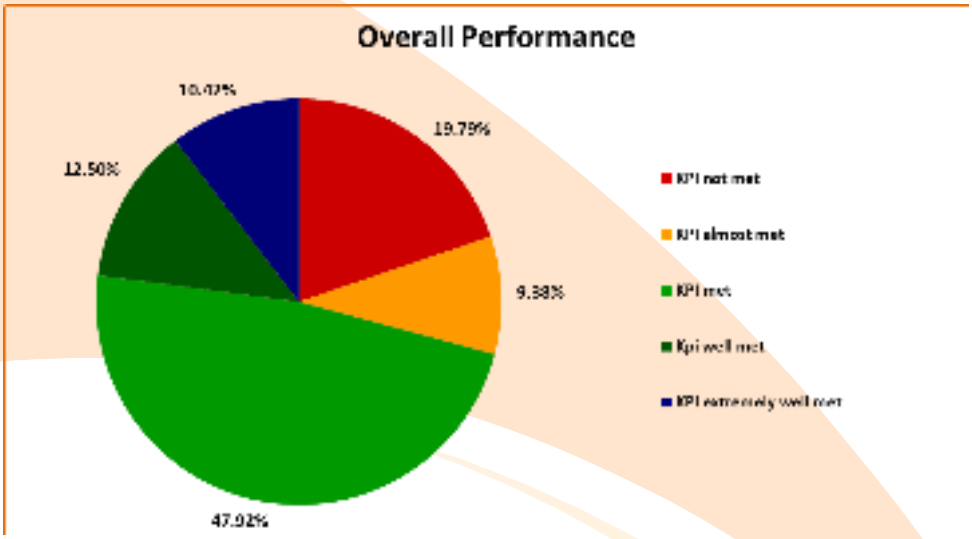
This section provides an overview on the achievement of the Municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer SDBIP assists with documenting and monitoring of the municipality's strategic plan and shows the strategic alignment between the IDP, Budget and Performance plans.

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP KPI's applicable to 2017/18 in terms of the IDP strategic objectives.

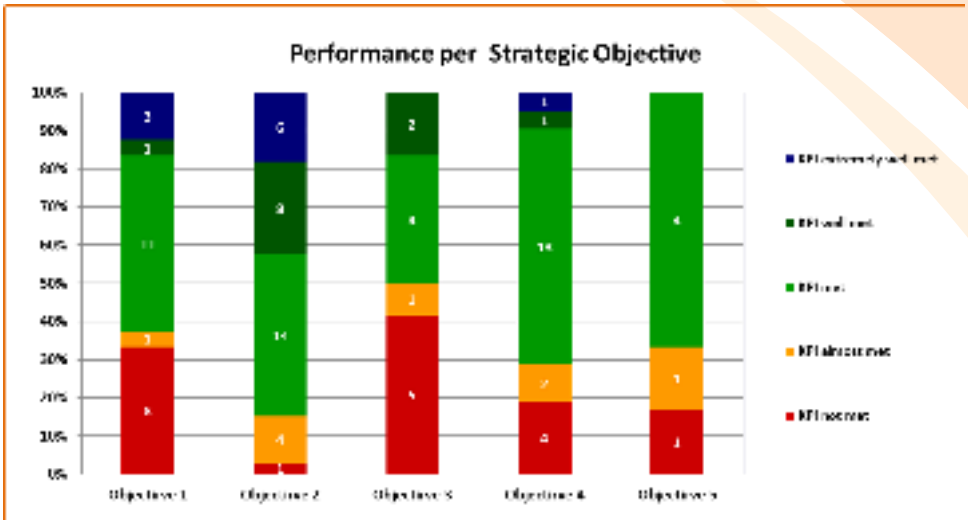
The following table explains the method by which the overall assessment of the actual performance against the targets set for the key performance indicators (KPI's) of the SDBIP, are measured:

Category	Colour	Explanation
KPI Not Yet Measured		KPI's with no targets or actuals in the selected period
KPI Not Met		0% > = Actual/Target< 75%
KPI Almost Met		75% > = Actual/Target < 100%
KPI Met		Actual/Target = 100%
KPI Well Met		100% > Actual/Target < 150%
KPI Extremely Well Met		Actual/Target > = 150%

SDBIP Measurement Criteria



Graph 2. *Overall Performance*



Graph 3. *Performance per Strategic Objective*

Measurement Category	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5	Total
	An ethical and transparent local government that is responsive to the needs of the community and encourage public participation	To achieve financial sustainability and strengthen municipal transformation and development	To create sustainable integrated human settlements and safe neighbourhoods where communities can prosper	To promote social, rural and spatial economic development	To provide basic services to all residents in an environmentally sustainable manner	
KPI Not Met	8	1	5	4	1	19
KPI Almost Met	1	4	1	2	1	9
KPI Met	11	14	4	13	4	46
KPI Well Met	1	8	2	1	0	12
KPI Extremely Well Met	3	6	0	1	0	10
Total	**24**	**33**	**12**	**21**	**6**	**96**

Top Layer SDBIP per Strategic Objective

The tables listed below indicates the actual strategic performance and corrective measures, that will be implemented, set in the approved SDBIP per Strategic objective:

3.2.1 An ethical and transparent local government that is responsive to the needs of the community and encourage public participation

Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2017/18						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL7	Compile and submit the three year Risk Based Audit Plan (RBAP) to the Audit committee by 30 June 2018	RBAP compiled and submitted to the Audit Committee	All	1	0	0	0	1	1	0	R
Corrective action		To be compiled in July 2018 after the risk registers is available									
TL8	Complete 90% of audits as per Internal Audit Plan	90% of audits completed	All	80%	25%	40%	65%	90%	90%	90%	G
TL9	Appoint a service provider by 30 June 2018 for the rendering of Internal Audit Services	Service provider appointed	All	5	0	0	0	1	1	2	B
TL10	Complete the annual risk register and submit to the Audit Committee by 30 June 2018	Risk register completed and submitted to the Audit Committee	All	0	0	0	0	1	1	0	R
Corrective action		Service provider is currently in process to compile to be tabled at Council in July/August 2018									

Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2017/18						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL12	Develop a policy with the regards to the usage of community halls and submit to Council by 31 March 2018	Policy with the regards to the usage of community halls submitted to Council by 31 March 2018	All	New KPI for 2017/18	0	0	1	0	1	1	G
TL26	Review the IDP for 2018/19 and submit to Council by 31 May 2018	Reviewed IDP submitted	All	1	0	0	0	1	1	1	G
TL32	Compile and submit the final Annual Report and oversight report for the 2016/17 financial year to Council by 31 March 2018	Final Annual Report and oversight report submitted to Council by 31 March 2018	All	1	0	0	1	0	1	1	G
TL33	Conduct specialist studies wrt to the extension of the Oudtshoorn cemetery by 30 June 2018	Specialist studies conducted	6	New KPI for 2017/18	0	0	0	1	1	0	R
Corrective action		The target was not achieved due to difficulty finalising the specifications and unavailability of funds. Budgetary provision has been made for 2018/19. Currently, the tender has been advertised to appoint a service provider to conduct the specialist studies									
TL34	Conduct specialist studies in order to identify land for establishment of a new cemetery for Oudtshoorn by 30 June 2018	Specialist studies conducted	All	New KPI for 2017/18	0	0	0	1	1	0	R
Corrective action		The target was not achieved due to difficulty finalising the specifications and unavailability of funds. Budgetary provision has been made for 2018/19. Currently, the tender has been advertised to appoint a service provider to conduct the specialist studies									
TL36	Review the Performance Management Framework and submit to Council by 31 May 2018	Framework reviewed and submitted	All	0	0	0	1	0	1	1	G
TL37	Submit a reviewed sport policy to Council by 30 June 2018	Review Policy and submitted	All	0	0	0	0	1	1	0	R
Corrective action		Council is in process of planning various workshops which includes the Sport Policy									
TL41	Limit unaccounted for electricity to less than 13% by 30 June {(Number of Electricity Units Purchased and/or Generated - Number	% unaccounted electricity by 30 June	All	10.06%	0%	0%	0%	13%	13%	8.15%	B

Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2017/18						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
	of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) ïż½ 100}										
TL42	Spend 90% of the electricity maintenance budget by 30 June {(Actual expenditure on maintenance divided by the total approved maintenance budget)x100}	% budget spent	All	86%	0%	0%	0%	90%	90%	95%	G2
TL43	Compile a comprehensive Electricity Maintenance Program and submit to the MM by 30 June 2018	Electricity Maintenance Program submitted	All	0	0	0	0	1	1	1	G
TL53	95% water quality level obtained in terms of e-coli tests conducted	% water quality level	All	95%	95%	95%	95%	95%	95%	95%	G
TL54	Spend 90% of the water maintenance budget by 30 June 2018 {(Actual expenditure on maintenance divided by the total approved maintenance budget)x100}	% budget spent	All	101%	0%	0%	0%	90%	90%	78.49%	O
Corrective action		Manager Water and Sewerage has resigned during the in March 2018. However, subject to the recruitment and selection process, the Municipal Manager filled the position and the incumbent will commence services on 1 August 2018									
TL55	Conduct frequent sampling and analysis of water as required ito SANS 241	Number of samplings conducted	All	New KPI for 2017/18	54	54	54	54	216	1,026	B
TL56	Investigate new quality water augmentation system and linking with KKRWSS and submit report to Council by 31 December 2017	New quality water augmentation system investigated and report submitted to Council	11	New KPI for 2017/18	0	1	0	0	1	1	G
TL58	Revisit KKRWSS and transfer Kannaland Section by 30 June 2018	KKRWSS revisited and Kannaland Section transferred by 30 June 2018	All	New KPI for 2017/18	0	0	0	1	1	1	G

Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2017/18						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL90	Develop standing operational procedures for all Top Layer SDBIP KPI's by 30 June 2018 contained in the Annual Performance Report	Standing operational procedures developed	All	New KPI for 2017/18	0%	0%	0%	100%	100%	100%	G
TL91	Submit a draft Fraud Prevention Plan to Council by 30 June 2018	Fraud Prevention Plan submitted to Council	All	New KPI for 2017/18	0	0	0	1	1	0	R
Corrective action		The Municipality numerously attempted to appoint a risk manager and was not able to find suitable candidate. As a result, we have re-advertised and appointed the most suitable candidate for the position. The incumbent already commenced duty and is in process to draft the fraud prevention plan									
TL92	Submit a Risk Management Strategy to Council by 31 May 2018	Risk Management Strategy to Council	All	New KPI for 2017/18	0	0	0	1	1	0	R
Corrective action		A Risk Project Manager was appointed on 1st of August 2018									
TL93	Establish a Performance Audit Committee by 30 June 2018	Performance Audit Committee established	All	New KPI for 2017/18	0	0	0	1	1	0	R
Corrective action		Due to the resignation of two audit committee members, the municipality was obligated to follow a process to fill the vacancies. The Performance Audit Committee will be established once such vacancies have been filled.									
TL106	Review the Ward Committee Policy and submit to Council by 31 May	Ward Committee Policy and submitted to Council	All	New KPI for 2017/18	0	0	0	1	1	1	G

Table 9 *An ethical and transparent local government that is responsive to the needs of the community and encourage public participation*

Summary of Results: An ethical and transparent local government that is responsive to the needs of the community and encourage public participation	
KPI Not Met	8
KPI Almost Met	1
KPI Met	11
KPI Well Met	1
KPI Extremely Well Met	3
Total KPIs	**24**

Table 10 *Summary of Results: An ethical and transparent local government that is responsive to the needs of the community and encourage public participation*

3.2.2 To achieve financial sustainability and strengthen municipal transformation and development

Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2017/18						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL1	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipalityï¿½s approved employment equity plan during the 2017/18 financial year	Number of people employed in the three highest levels of management	All	5	0	0	0	5	5	4	O
TL2	Spend 0.5% of the municipality's personnel budget on implementing its workplace skills plan by 30 June 2018 [(Actual amount spent on training/total personnel budget)x100]	% of the budget spent	All	0.27%	0%	0%	0%	0.50%	0.50%	0.44%	O
Corrective action		Some of the programmes are spread over the calendar year, which makes spending of the total budgeted amount difficult. The programmes must be realign in order to achieve the outcome in line with the budget and monitored closely									
TL3	Limit vacancy rate to less than 20% of budgeted post by 30 June 2018 {(Number of funded posts vacant / total number of funded posts)x100}	% Vacancy rate	All	20%	0%	0%	0%	20%	20%	9.46%	B
TL6	The percentage of the municipal capital budget actually spent on capital projects as at 30 June 2018 {(Actual amount spent on capital projects /Total amount budgeted for capital projects)X100}	% the capital budget spent on capital projects as at 30 June 2018	All	85%	20%	35%	60%	85%	85%	84%	O
TL63	Compile the revenue enhancement strategy and submit to Council by 31 August 2017	Revenue enhancement strategy submitted	All	1	1	0	0	0	1	1	G

Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2017/18						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL64	Calculate a cost reflective tariff for refuse and sanitation and review all miscellaneous charges and submit to Council by 31 March 2018	Cost reflective tariff model calculated and all miscellaneous charges reviewed and submitted	All	New KPI for 2017/18	0	0	1	0	1	1	G
TL65	Review the organogram and establish a revenue enhancement staff component for the finance department by 30 June 2018	Approved organogram	All	New KPI for 2017/18	0	0	0	1	1	1	G
TL66	Provide piped water to residential properties which are connected to the municipal water infrastructure network and billed for the service as at 30 June 2018	Number of residential properties that receive piped water as per the FMS as at 30 June	All	16120	13,750	13,750	13,750	13,750	13,750	14,876	G2
TL67	Provide electricity to residential properties connected to the municipal electrical infrastructure network and billed for the service as well as prepaid electrical metering as at 30 June 2018	Number of residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) as per the FMS as at 30 June	All	17741	13,750	13,750	13,750	13,750	13,750	16,227	G2
TL68	Provide sanitation services to residential properties which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets) as at 30 June 2018	Number of residential properties which are billed for sewerage in accordance with the financial system as at 30 June	All	16120	13,750	13,750	13,750	13,750	13,750	14,587	G
TL69	Provide refuse services to residential properties for which refuse is removed and billed for the service as at 30 June 2018	Number of residential properties which are billed for refuse removal as per the FMS as at 30 June	All	16120	13,750	13,750	13,750	13,750	13,750	14,283	G

Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2017/18						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL70	Provide subsidies for free basic water to indigent households as at 30 June 2018	Number of indigent households receiving subsidies for free basic water as per FMS as at 30 June	All	5541	5,500	5,500	5,150	5,150	5,150	5,756	G
TL71	Provide subsidies for free basic electricity to indigent households (including ESKOM supply area) as at 30 June 2018	Number of indigent households receiving subsidies for free basic electricity as per FMS as at 30 June	All	5141	5,500	5,500	4,800	4,800	4,800	5,788	G
TL72	Provide subsidies for free basic sanitation to indigent households as at 30 June 2018	Number of indigent households receiving subsidies for free basic sanitation as per FMS as at 30 June	All	5541	5,500	5,500	5,100	5,100	5,100	5,759	G
TL73	Provide subsidies for free basic refuse removal to indigent households as at 30 June 2018	Number of indigent households receiving subsidies for free basic refuse removal as per FMS as at 30 June	All	5541	5,500	5,500	5,100	5,100	5,100	5,766	G2
TL74	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2018 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant))	% of debt coverage	All	15.14%	0%	0%	0%	21%	21%	11.77%	B
TL75	Financial viability measured in terms of the outstanding service debtors as at 30 June 2018 ((Total outstanding service debtors/ revenue received for services)X100)	% of outstanding service debtors	All	13.75%	0%	0%	0%	15%	15%	12%	B
TL76	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30	Number of months it takes to cover fix operating expenditure with available cash	All	0.51	0	0	0	0.5	0.5	1.4	B

Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2017/18						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
	June 2018 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))										
TL77	Achieve a debtor payment percentage of 96% {(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100}	% debtor payment achieved	All	96.27%	96%	96%	96%	96%	96%	95%	O
Corrective action		A panel of attorneys will be used to increase the collection rate. Waivers of collection processes as incentives will be applied cautiously									
TL78	Compile a plan to address the audit findings and submit to the Municipal Manager by 31 January 2018	Plan completed and submitted to MM by 31 January	All	1	0	0	1	0	1	1	G
TL95	Conduct an IT Risk Assessment by 30 June 2018	IT Risk Assessment conducted	All	New KPI for 2017/18	0	0	0	1	1	1	G
TL96	Perform a VAT reconciliation based on the accrual basis by 30 June 2018	VAT reconciliation conducted	All	New KPI for 2017/18	0	0	0	1	1	1	G
TL97	Submit a Departmental Procurement Plan to the Municipal Manager by 30 June 2018	Procurement Plan submitted to the Municipal Manager	All	New KPI for 2017/18	0	0	0	1	1	1	G
TL98	Review the indigent register by 30 June 2018	Indigent register review	All	New KPI for 2017/18	0	0	0	1	1	1	G
TL99	Review the Supply Chain Management Policy and submit to Council by 31 May 2018	Supply Chain Management Policy and submitted to Council	All	New KPI for 2017/18	0	0	0	1	1	1	G
TL100	Develop a Human Resource Plan and	Human Resource Plan and	All	New KPI for 2017/18	0	0	0	1	1	1	G

Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2017/18						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
	submit to Council by 31 May 2018	submitted to Council									
TL101	Review the amendments on the VIP system before 31 May 2018	VIP system reviewed	All	New KPI for 2017/18	0	0	0	1	1	1	G
TL102	Develop a VIP amendment register by 31 May 2018	VIP amendment register developed	All	New KPI for 2017/18	0	0	0	1	1	1	G
TL103	Perform a screening/vetting prior to appointing employees on a monthly basis	Screening/vetting prior to appointing employees performed	All	New KPI for 2017/18	0	0	2	6	8	20	B
TL104	Revised the bonus policy by 31 May 2018	bonus policy reviewed	All	New KPI for 2017/18	0	0	0	1	1	1	G
TL105	Compile a contingent liability register by 30 June 2018	Contingent register compiled	All	New KPI for 2017/18	0	0	0	1	1	1	G
TL107	Provide 60 Days termination notice for temporary employment contracts of 12 months	Number of notices	All	New KPI for 2017/18	0	0	0	8	8	3	R
Corrective action		Only three notifications were necessary by the end of June 2018. Legislation obligates the municipality to enter into contracts with temporary staff which does not exceed 3 months. In doing so, the municipality avoids possible labour disputes and/or demand to be appointed permanently									
TL108	Provide 30 Days termination notice for temporary employment contracts less than 12 Months	Number of notices	All	New KPI for 2017/18	0	0	0	8	8	14	B

Table 17: *To achieve financial sustainability and strengthen municipal transformation and development*

Summary of Results: To achieve financial sustainability and strengthen municipal transformation and development		
	KPI Not Met	1
	KPI Almost Met	4
	KPI Met	14
	KPI Well Met	8
	KPI Extremely Well Met	6
Total KPIs		**33**

Table 18: *Summary of Results: To achieve financial sustainability and strengthen municipal transformation and development*

3.2.3 To create sustainable integrated human settlements and safe neighbourhoods where communities can prosper

Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2017/18						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL13	Provide access to the main municipal building for people with physical disabilities (wheel chair access) by 30 June 2018	Access provided to main municipal building for people with disabilities	All	New KPI for 2017/18	0	0	0	1	1	1	G
TL16	Spent 90% of the maintenance budget of gardens/ parks/ resorts/sport fields/ swimming pools by 30 June 2018 {(Actual expenditure on maintenance budget divided by the total approved maintenance budget)x100}	% budget spent	All	90%	10%	30%	60%	90%	90%	90.90%	G2
Corrective action		The spending of the budget must be closely monitored									
TL17	Plant trees for Arbour Day by 30 September 2017	Number of trees planted	All	New KPI for 2017/18	100	0	0	0	100	100	G
TL18	Spend 90% of the library maintenance budget by 30 June 2018 {(Actual expenditure on maintenance budget divided by the total approved maintenance budget)x100}	% budget spent	All	90%	10%	30%	60%	90%	90%	74,96%	O
Corrective action		The maintenance team responsible for municipal buildings lacks the capacity to ensure maintenance and therefore the library manager will be directly responsible for the procurement and appointment of service providers to maintain libraries and the expenditure will be closely monitored									
TL19	Review of the Disaster Management Plan and submit to Council by 31 March 2018	Disaster Management Plan submitted	All	1	0	0	1	0	1	1	G
TL79	Service 332 sites in Rosevalley by 30 June 2018	Number of sites services	6	New KPI for 2017/18	0	0	0	332	332	332	G
TL81	Upgrade 100 sites in Dysselsdorp by 30 June 2018	Number of sites upgraded	9; 10	New KPI for 2017/18	0	0	0	100	100	0	R
Corrective action		Due to financial constraints the project could not be completed. Approval were subsequently given and it is anticipated that the project will commence early in the new financial year									

Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2017/18						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL85	Build 21 new houses using alternative (green) technology by 30 June 2018	Number of houses built	All	New KPI for 2017/18	0	0	0	21	21	0	R
Corrective action		Access could not be obtained to the land in order to construct a reservoir for the housing project. No decision has been made as to whether land is to be expropriated and is pending a decision of Provincial Government									
TL89	Approve the housing allocation policy by 30 June 2018	Policies drafted, workshopped and submitted to Council for approval by 30 June	All	New KPI for 2017/18	0	0	0	3	3	0	R
Corrective action		The Housing Allocation Policy was submitted in May 2018 to be included in the agenda of the Council meeting of 29 June 2018. However, it failed to serve before Council and was subsequently approved later. The public participation process is currently being conducted									
TL111	Appoint a quality control officer by June 2018	Number of quality checks conducted	All		0	0	0	1	1	0	R
Corrective action		The appointment is subject to the drafting and completion of a job description and the approval of the organigram									
TL112	Approve the rental Housing strategy by June 2018	Approved Policy	All		0	0	0	1	1	0	R
Corrective action		The Rental Housing Strategy was submitted in May 2018 to be included in the agenda of the Council meeting of 29 June 2018. However, it failed to serve before Council and was subsequently approved later. The public participation process is currently being conducted									
TL114	Conduct bi monthly roadblocks	Number of roadblocks conducted	All		0	0	4	4	8	11	G2

To create sustainable integrated human settlements and safe neighbourhoods where communities can prosper

Summary of Results: To create sustainable integrated human settlements and safe neighbourhoods where communities can prospert		
	KPI Not Met	5
	KPI Almost Met	1
	KPI Met	4
	KPI Well Met	2
	KPI Extremely Well Met	0
Total KPIs		**12**

Summary of Results: To create sustainable integrated human settlements and safe neighbourhoods where communities can prosper

3.2.4 To promote social, rural and spatial economic development

Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2017/18						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL11	Review Cango Caves Marketing Plan and submit to Council by 28 February 2018	Marketing Plan submitted	All	New KPI for 2017/18	0	0	1	0	1	1	G
TL23	Review the Vision 2030 Strategy and submit to Council by 30 June 2018	2030 Strategy reviewed and submitted	All	1	0	0	0	1	1	0	R
Corrective action		The strategy will be reviewed in 2018/19									
TL24	Develop and submit a Business Incentive Policy to Council by 30 September 2017	Business Incentive Policy submitted	All	New KPI for 2017/18	1	0	0	0	1	1	G
TL25	Establishment of Invest Oudtshoorn Working Group by 31 December 2017	Invest Oudtshoorn Working Group established	All	New KPI for 2017/18	0	1	0	0	1	1	G
TL27	Conclude an SLA with the Local Tourism Bureau by 30 October 2017	SLA concluded with the LTB	All	1	0	1	0	0	1	1	G
TL28	Develop a Municipal Corporate Identity Policy and submit to Council by 30 June 2018	Municipal Corporate Identity Policy submitted	All	New KPI for 2017/18	0	0	0	1	1	1	G
TL29	Develop an Informal Trading Policy and submit to Council by 31 March 2018	Policy developed and submitted	All	New KPI for 2017/18	0	0	0	1	1	1	G
TL31	Review of Spatial Development Framework (SDF) and submit to Council by 31 March 2018	SDF and submitted to Council	All	1	0	0	1	0	1	1	G
TL35	Develop an Event and Marketing Strategy and submit to Council by 30 June 2018	Tourism and Sport Marketing Strategy submitted	All	New KPI for 2017/18	0	0	0	1	1	0	R
Corrective action		The strategy will be reviewed in 2018/19									
TL38	Replace 11kV core network by 30 June 2018	11Kv Core networks replaced	All	New KPI for 2017/18	0	0	0	1	1	1	G
TL39	Develop a sustainable energy tariff and energy policy and submit to Council by 30 June 2018	Sustainable energy tariff and energy policy developed and submitted to Council by 30 June 2018	All	New KPI for 2017/18	0	0	0	1	1	0	R

Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2017/18						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
Corrective action		The issue in this regard was merely the wording of the policy in question. Instead of using developing a sustainable Energy Tariff and Energy Policy, it is required of the Municipality to develop and draft an Embedded Generation Policy which includes the tariffs and by-laws. Funds were available to complete the Embedded Energy Policy within the 2018\19 financial year									
TL44	Construct new roads (upgrade surface standard) by 30 June	KM's of new roads constructed	All	0.23	0	0	0	0.5	0.5	0.5	G
TL45	Spend 90% of the roads and stormwater maintenance budget by 30 June {(Actual expenditure on maintenance divided by the total approved maintenance budget)x100}	% budget spent	All	90%	0%	0%	0%	90%	90%	104%	G2
TL46	Compile a Streets and Stormwater Maintenance Plan and submit to Council by 30 June 2018	Master plan compiled and submitted	All	New KPI for 2017/18	0	0	0	1	1	1	G
TL47	Spend 90% of approved project budget for the installation of stormwater drainage by 30 June 2018	% budget spent	All	905	0%	0%	0%	90%	90%	70%	O
Corrective action		The budget must be monitored closely in the 2018/19 financial year									
TL50	Conduct licensing applications for WWTW by 30 June 2018	Licensing application conducted	All	New KPI for 2017/18	0	0	0	1	1	1	G
TL51	Spend 90% of the sewerage maintenance budget by 30 June 2018 {(Actual expenditure on maintenance divided by the total approved maintenance budget)x100}	% of the sewerage maintenance budget spent	All	85%	0%	0%	0%	90%	90%	86.37%	O
Corrective action		The budget must be monitored closely in the 2018/19 financial year									
TL52	Limit unaccounted for water to less than 25% by 30 June 2018 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (incl free basic water) / Number of Kilolitres	% unaccounted water	All	6.66	0%	0%	0%	25%	25%	12.70%	B

Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2017/18						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
	Water Purchased or Purified ï¿½ 100}										
TL57	Develop a water meter replacement strategy and submit to Council by 30 June 2018	Water meter replacement strategy developed and submitted to Council	All	New KPI for 2017/18	0	0	0	1	1	1	G
TL59	Create temporary jobs - FTE's in terms of EPWP by 30 June 2018 (Person days / FTE (230 days))	Number of FTE's created by 30 June 2018	All	186	0	0	0	65	65	65	G
TL94	Advertise the tender regarding the development of the Tri-Angle Mall by 30 June 2018	Notice of Advertisement	All	New KPI for 2017/18	0	0	0	1	1	0	R
Corrective action		The matter has been forwarded to the Municipal Council for consideration where after it was resolved to go out on tender. The Municipality is in process to implement the Council Resolution									

To promote social, rural and spatial economic development

Summary of Results: To promote social, rural and spatial economic development		
	KPI Not Met	4
	KPI Almost Met	2
	KPI Met	13
	KPI Well Met	1
	KPI Extremely Well Met	1
Total KPIs		**21**

Summary of Results: To promote social, rural and spatial economic development

3.2.5 To provide basic services to all residents in an environmentally sustainable manner

Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2017/18						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL15	Develop a Refuse Removal Plan (RRP) for the greater Oudtshoorn area and submit to Council by 31 March 2018	Refuse Removal Plan developed	All	1	0	0	1	0	1	1	G
TL21	Spend 90% of the refuse removal maintenance budget by 30 June 2018 {(Actual expenditure on maintenance budget divided by the total approved	% budget spent	All	101%	10%	30%	60%	90%	90%	87.87%	O

Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2017/18						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
	maintenance budget)x100}										
Corrective action		The target of the maintenance budget of cleansing was almost achieved. The budget will be closely monitored to ensure expenditure as for the target of 90%									
TL62	Compile a Fleet Management Policy and submit to Council by 31 March 2018	Fleet Management Policies submitted	All	0	0	0	1	0	1	1	G
TL109	Submit a draft Water and Sanitation Infrastructure Policy to Council by 31 May 2018	Draft Water and Sanitation Infrastructure Policy and submit to Council	All	New KPI for 2017/18	0	0	0	1	1	0	R
Corrective action		Due to the sudden resignation of our former manager water and sanitation, the Municipality was unable to achieve the target. However, the position is subject to a recruitment and selection process and a new appointment is to be made before 1st October 2018 where after the policy will be forwarded to Council for a workshop									
TL110	Conduct a study regarding roads that require urgent repair and submit a report to Council by May 2018	Study conducted and report submitted to Council	All	New KPI for 2017/18	0	0	0	1	1	1	G
TL113	Weekly cleansing of open spaces in Dysselsdorp	Number of clean open spaces	All	New KPI for 2017/18	0	0	10	10	20	20	G

To provide basic services to all residents in an environmentally sustainable manner

Summary of Results: To provide basic services to all residents in an environmentally sustainable manner		
	KPI Not Met	1
	KPI Almost Met	1
	KPI Met	4
	KPI Well Met	0
	KPI Extremely Well Met	0
Total KPIs		**6**

Summary of Results: To provide basic services to all residents in an environmentally sustainable manner

3.2.7 Service Provider Performance

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the Municipality has entered a service delivery agreement. A service provider means:

- A person or institution or any combination of persons and institutions which provide a municipal service
- An external mechanism referred to in Section 76(b) which provides a municipal service for a Municipality
- A Service delivery agreement between a Municipality and an institution or person mentioned in Section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the Municipality

During the year under review the Municipality did not appoint any service providers who provided a municipal service to or for the benefit of the local community on behalf of the Municipality and therefore this report contains no such details. All other contract appointments are regularly monitored and ensured, that the requirements of the contract are complied with.

3.2.8 Municipal Functions

a) Analysis of Functions

The table below indicates the functional areas that the Municipality is responsible for in terms of the Constitution:

Municipal Function	Municipal Function Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewerage disposal systems	Yes
Constitution Schedule 5, Part B functions:	

Municipal Function	Municipal Function Yes / No
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	Yes
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Functional Areas

3.3 COMPONENT A: BASIC SERVICES

This component includes basic service delivery highlights and challenges, includes details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

3.3.1 Water Services

a) Introduction to Water Services

The Klein Karoo Region, the valley between the Swartberg and Langeberg Mountains, is a water scarce area with an average precipitation ranging between 280 mm and 360 mm per annum.

The Melville Dam and Koos Raubenheimer Dam, both owned by the Municipality, supply Oudtshoorn with water. This supply is augmented with water diverted from De Rust en Vrede Stream into the Raubenheimer Dam. These dams supply water to the urban and industrial consumers in Oudtshoorn, as well as to rural users along the pipeline route.

Exploration of deep groundwater resources in the Oudtshoorn area has confirmed the potential of deep aquifers to augment existing supplies. Potential synergy and increased assurance of supply could be achieved with the linking of different schemes in the Klein Karoo, especially via the Klein Karoo Rural Water Supply Scheme (KKRWSS).

The KKRWSS area covers the town of Dysselsdorp, as well as rural communities and farms in the Olifantsrivier Valley and Gamka River Valley. Rural communities currently utlise about 29% of the water from the KKRWSS for domestic purposes and 12% for agricultural purposes. The scheme is supplied from several wellfields between the Kammanassie Mountains and Calitzdorp, while the Vermaaksrivier Wellfield taps into the Peninsula Aquifer. All the other KKRWSS boreholes are located in the Nardouw Aquifer. A collector well, near Dysselsdorp, is used to abstract water from the alluvial aquifer along the Olifantsriver.

The raw water is taken directly from the KKRWSS boreholes into the two treatment works:

- The Dysselsdorp Water Treatment Works (WTW) (East) is designed for 3.5 million m^3/a (cubic metres per annum) and operates at 1.1 million m3/a.
- The Calitzdorp WTW (West) is designed for 0.9 million m^3/a, but operates at only 0.1 million m3/a.

Both WTW operate well below their designed capacity.

De Rust can abstract 143 000 m3/a from a weir at the Huisrivier, which is diverted into the De Rust Reservoir. Whilst the source is generally able to provide sufficient water, the river flow during the dry season is lower than the town's allocation. This also corresponds with those periods (November to February) of the highest consumption. The lack of sufficient storage capacity to provide for sufficient supply during the summer is a current challenge.

b) Highlights: Water Services

The table below specifies the highlights for the year:

Highlights	Description
Successful upgrade of the Dysselsdorp WTW	The Dysselsdorp WTW was successfully upgraded as part of the Water Services Infrastructure Grant (WSIG) project
Successful exploration of new underground wellfield in Vermaaksrivier and equipping of boreholes	Additional water supplies from new boreholes was equipped as part of the water services infrastructure grant project

Table 47: *Water Services Highlights*

c) Challenges: Water Services

The table below specifies the challenges for the year:

Description	Actions to address
Bulk water pipe failure underneath Raubenheimer Dam	Refurbishment of flow control valve that causes water hammer
Continuous water quality failure due to the lack of a water treatment plant. Global warming and resultant change in weather patterns necessitate the urgent construction of a water treatment plant	Submit funding applications to obtain funding for a water treatment plant
Internal network failures due to aging of pipes	Budgetary provision must be made for a pipe replacement program

Table 48: *Water Services Challenges*

d) Service Delivery Levels

The table below specifies the service delivery levels for the year:

Households		
Description	**2016/17**	**2017/18**
	Actual	**Actual**
	No.	**No.**
***Water:* (above min level)**		
Piped water inside dwelling	15 663	15 988
Piped water inside yard (but not in dwelling)	0	0
Using public tap (within 200m from dwelling)	341	369
Other water supply (within 200m)	0	0
Minimum Service Level and Above sub-total	**16 004**	**16 357**
Minimum Service Level and Above Percentage	**100%**	**100%**
***Water:* (below min level)**		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling	0	0
No water supply	0	0
Below Minimum Service Level sub-total	0	**0**
Below Minimum Service Level Percentage	**0%**	**0%**
Total number of households	**16 004**	**16 357**

Households		
Description	2016/17	2017/18
	Actual	Actual
	No.	No.
Include informal settlements		

Table AP *Water Service Delivery Levels: Households*

Access to Water			
Financial year	Number/Proportion of households with access to water points*	Proportion of households with access to piped water	Number /Proportion of households receiving free basic water
2016/17	341	15 663	5 541
2017/18	369	15 988	5 756
# 6,000 litres of potable water supplied per formal connection per month			

Table AP *Access to Water*

e) Employees: Technical Services

The following tables indicates the staff composition for this division:

Employees: Office of the Director Technical Services				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	2	0	2	100
7 - 9	1	1	0	0
10 - 12	1	0	1	100
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	1	1	0	0
Total	**5**	**2**	**3**	**60**
Employees and post numbers are as at 30 June				

Table AP *Employees: Office of the Director Technical Services*

Employees: Water & Sewerage (Purification, KKRSWSS, Networks, Sewerage)				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	74	50	24	32
4 - 6	41	29	12	29

Employees: Water & Sewerage (Purification, KKRSWSS, Networks, Sewerage)				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
7 - 9	2	2	0	0
10 - 12	12	10	2	16
13 - 15	3	1	2	66
16 - 18	1	0	1	100
19 - 20	0	0	0	0
Total	**133**	**92**	**41**	**30**
Employees and post numbers are as at 30 June				

Table 70 *Employees: Water & Sewerage (Purification, KKRSWSS, Networks, Sewerage)*

Employees: Dysselsdorp/De Rust				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**1**	**1**	**0**	**0**
Employees and post numbers are as at 30 June				

Table 71 *Employees: Dysselsdorp/De Rust*

Employees: Dysselsdorp				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	16	11	5	31
4 - 6	3	3	0	0
7 - 9	1	1	0	0
10 - 12	1	1	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0

Employees: Dysselsdorp				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
Total	**21**	**16**	**5**	**23**
Employees and post numbers are as at 30 June				

Table 72 *Employees: Dysselsdorp*

Employees: De Rust				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	16	4	12	75
4 - 6	4	2	2	50
7 - 9	2	2	0	0
10 – 12	1	0	1	100
13 – 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**23**	**8**	**15**	**65**
Employees and post numbers are as at 30 June				

Table 73 *Employees: De Rust*

Employees: Capital Projects				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	1	1	0	0
7 - 9	1	1	0	0
10 - 12	3	3	0	0
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**6**	**5**	**1**	**16**
Employees and post numbers are as at 30 June				

Table 74 *Employees: Capital Projects*

f) Capital: Water Services

The following table indicates the capital expenditure for this division:

Capital Expenditure 2017/18: Water Services					
Capital Projects	2017/18				
	R'000				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Refurbishment of plant equipment	8 771	8 771	8 557	214	8 771
De Rust/Dysselsdorp drought relief boreholes and infrastructure	0	841	841	0	841
Water electrical equipment	300	300	179	120	300
Bulk water supply	0	235	235	0	235
Bulk water supply - De Rust	0	1 626	1 626	385	1 626
Raubenheimer Dam inlet tower/ upgrade / refurbishing	0	1 500	375	1 124	1 500
Computer and software	0	24	7	16	24
Upgrading of building	0	100		100	100
Lawnmowers/Weet eaters	0	50	73	-23	50
Total	**9 071**	**13 447**	**3 263**	**696**	**13 447**

Table 37: *Capital Expenditure: Water Services*

3.3.2 Waste Water (Sanitation) Provision

a) Introduction to Waste Water (Sanitation) Provision

Greater Oudtshoorn currently has 5 Waste Water Treatment Works (WWTW) serving the extended community of Oudtshoorn (10 Ml/d), Dysselsdorp (2 Ml/d), De Rust (0.2 Ml/d), Cango Caves and the Cango Mountain Resort. The sewerage of the new Rosevalley housing project is currently being pumped to the Oudtshoorn WWTW via a new sewerage pump station that was commissioned during May 2017. Oudtshoorn Municipality completed the planning of a decentralized Waste Water Package Plant for the community of Spieskamp with the aim to utilize effluent for irrigation purposes. A new floating reed bed is currently in construction as a private initiative at the De Rust WWTW in order to improve and refine effluent for the irrigation of sports fields and vegetable gardens.

b) Highlights: Waste Water (Sanitation) Provision

The table below specifies the highlights for the year:

Highlights	Description
Water Institute of Southern Africa (WISA) award for excellence	The WISA award was received in recognition of exceptional achievement in enhancing performance at a water care works

Table 38: *Waste Water (Sanitation) Provision Highlights*

c) Challenges: Waste Water (Sanitation) Provision

The table below specifies the challenges for the year:

Description	Actions to address
Lack of qualified personnel	Existing personnel must receive training and additional qualified personnel must be appointed

Table 77 *Waste Water (Sanitation) Provision Challenges*

d) Service Delivery Levels

The table below specifies the service delivery levels for the year:

Households		
Description	**2016/17**	**2017/18**
	Outcome	**Actual**
	No.	**No.**
***Sanitation/sewerage:* (above minimum level)**		
Flush toilet (connected to sewerage)	16 745	15 988
Flush toilet (with septic tank)	601	601
Chemical toilet	442	540
Pit toilet (ventilated)	592	216
Other toilet provisions (above miniminum service level)	6 320	60
Minimum Service Level and Above sub-total	**24 700**	**17 405**
Minimum Service Level and Above Percentage	**100%**	**100%**
***Sanitation/sewerage:* (below minimum level)**		
Bucket toilet	0	0
Other toilet provisions (below minimum service level)	0	0
No toilet provisions	0	0
Below Minimum Service Level sub-total	**0**	**0**
Below Minimum Service Level Percentage	**0%**	**0%**
Total households	**24 700**	**17 405**
Including informal settlements		

Table 78 *Waste Water (Sanitation) Provision Service Delivery Levels*

e) Capital: Waste Water (Sanitation) Provision

The following table indicates the capital expenditure for this division:

Capital Expenditure 2017/18: Waste Water (Sanitation) Provision					
Capital Project	2017/18				
	R'000				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Oosbank - main sewer pipe replacement	0	1 500	0	1 500	1 500
Upgrading WWTW	2 192	226	226	0	226
Generator	0	12	9	2	12
Total	**2 192**	**1 738**	**235**	**1 502**	**1 728**

Table 47 *Capital Expenditure: Waste Water (Sanitation) Provision*

3.3.3 Electricity

a) Introduction to Electricity

The local government plays a very important role in the provision of electricity. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support.

Oudtshoorn Municipality sources electricity in bulk from Eskom and is responsible for the distribution thereof within its approved area of supply, under license of the National Energy Regulator of South Africa. Electricity is supplied by Eskom at four intake substations at 11 000 volts and 22 000 volts respectively and redistributed to the resultant consumer via a series of cables, lines and substations in the traditional Oudtshoorn, Dysselsdorp and De Rust areas. With the exception of the scenic Cango Valleys and Matjiesrivier, Eskom supplies electricity to the extensive Oudtshoorn rural areas and remote settlements.

Electricity provision at a household level requires at least the minimum levels of service in order to function effectively. All households connected to the Greater Oudtshoorn electricity networks benefit from at least a service level five connection, i.e. a medium to high wattage supply to the premises with appropriate street lighting.

Such a service level is built upon firm thrust, as well as suitably maintained and technically rated infrastructure components supported by educated and skilled human resources. To this effect the electricity department at present embarks on the filling of sixty percent of all vacant posts, as well as expanding its asset management capacity. It is envisaged that the said strategy will have a damping effect on escalating operational expenditure thus enhancing economic efficiency.

Furthermore, the objective is to expand electrical services to all households in the Greater Oudtshoorn area.

The energy losses for the 2017/18 financial year was 8.15%, trending downwards from 10.06% in 2016/17.

The Electro-Technical Services Department is responsible for:

- The construction and maintenance of the distribution network, as well as providing new infrastructure to ensure a reliable and affordable supply of electricity to all.
- The effective management of revenue by ensuring that all supplied electricity is billed and by reducing losses in order to cover operating and capital expenses.
- The provision of a reliable and acceptable level of public lighting to improve the safety and living standard of residents.
- Ensure the effective utilisation of the municipal vehicle and plant fleet.

b) Highlights: Electricity

The table below specifies the highlights for the year:

Highlights	Description
Dysselsdorp Bulk Infrastructure Phase 2 completed	Phase 2 of the Bulk Infrastructure Project to increase the power supply to Dysselsdorp has been completed. A 3.5 km overhead powerline were constructed from the Eskom main substation to the Dysselsdorp point of supply
Power supply cable installed between Golf and Union Square substations	The first phase of the 22 KV primary network upgrade has been completed
Installation of power supply cable between Union Square substations and Oudtshoorn CBD	The first phase of the installation of a 11 KV capacity power supply cable to Oudtshoorn CBD has been completed
Completion of a major service on 20 MVA power transformers	Major service and maintenance of Union Square transformers were completed
Distribution network maintenance plan	The first maintenance plans of a 5-year revolving cycle have been implemented which included maintenance on MV switchgear and mini-substations

Table AA *Electricity Highlights*

c) Challenges: Electricity

The table below specifies the challenges for the year:

Description	Actions to address
Electrical losses	Implement revenue enhancement methods to curb the percentage of electrical losses
Slow procurement procedures	Procure service providers on a multi-annual basis
Aging infrastructure	Balancing workload and implement maintenance / refurbishment and replacement on risk basis
Lack of skilled personnel	Capacitate existing personnel and developing special skills by conducting training talks and demonstrations
Copper theft and vandalism	Planning must be conducted with theft and vandalism in mind and methods developed to reduce theft and vandalism

Table AB *Electricity Challenges*

d) Service Delivery Levels

The table below specifies the service delivery levels for the year:

Households		
Description	**2016/17**	**2017/18**
	Actual	**Actual**
	No.	**No.**
***Energy:* (above minimum level)**		
Electricity (at least minimum service level)	18 006	17 394
Electricity - prepaid (minimum service level)	5 042	5 387
Minimum Service Level and Above sub-total	**23 048**	**22 781**
Minimum Service Level and Above Percentage	**93.5%**	**93.4%**
***Energy:* (below minimum level)**		
Electricity (< minimum service level)	1 610	1 610
Electricity - prepaid (< min. service level)	0	0
Other energy sources	1 610	1 610
Below Minimum Service Level sub-total	**1 610**	**1 610**
Below Minimum Service Level Percentage	**6.5%**	**6.6%**
Total number of households	**24 658**	**24 391**

Table 37 *Electricity Service Delivery Levels*

e) Employees: Electricity

The following table indicates the staff composition for this division:

Employees: Electricity				
Job Level	**2017/18**			
	Posts	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**%**
0 - 3	21	11	10	47
4 - 6	33	20	13	39
7 - 9	1	1	0	0
10 - 12	17	12	5	29
13 - 15	4	2	2	50
16 - 18	2	2	0	0
19 - 20	0	0	0	0
Total	**78**	**48**	**30**	**38**
Employees and post numbers are as at 30 June				

Table 38 *Employees: Electricity*

f) Capital: Electricity

The following table indicates the capital expenditure for this division:

Capital Expenditure 2017/18: Electricity					
Capital Projects	2017/18				
	R'000				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Equipment	991	1 077	1 070	7	1 077
Rosevalley bulk infrastructure	0	500	325	174	500
Dysselsdorp bulk infrastructure	2 631	2 631	1 287	1 343	2 631
New high mast light	0	4 052	4 514	(461)	4 052
Fencing Bridgton substation	0	150	0	150	150
Rosevalley phase 2- electrical connections	0	842	868	26	842
Rosevalley phase 2- electrical connections	0	1 789	1 749	40	1 789
Oudtshoorn town 11kv capacity upgrade	1 300	1 213	1 702	(489)	1 213
Total	**3 622**	**12 254**	**11 515**	**553**	**9 252**

Capital Expenditure: Electricity

3.3.4 Waste Management (Refuse collections, waste disposal, street cleaning and recycling)

a) Introduction to Waste Management

Successful waste management is complimented by a workforce that efficiently deals with the following tasks:

- Street cleansing including the sweeping of streets
- Cleaning of open spaces, dumping areas and communal skip operations
- Refuse removal in households once a week, using black plastic bags
- Kerbside cleansing that occurs once a week outside the households

b) Highlights: Waste Management

The table below specifies the highlights for the year:

Highlights	Description
Appointment of additional personnel	The new organigram adopted by Council made provision for the appointment of additional personnel
Completion of the Refuse Removal Plan	The Refuse Removal Plan for the collection of refuse for households and businesses has been completed
Completion of Open Spaces and Street Sweeping Plan	The plan for the sweeping of streets and cleaning of open spaces on a daily basis has been completed
Distribution of black bags	Black bags were distributed quarterly as scheduled
Expanded Public Works Programme (EPWP) projects	Cleaning of open spaces on a daily basis and kerbside cleaning outside households on a weekly basis were conducted as part of an EPWP project

Waste Management Highlights

c) Challenges: Waste Management

The table below specifies the challenges for the year:

Description	Actions to address
Ageing and breakdown of compactors (refuse removal trucks)	Budgetary provision must be made to replace ageing compactors

Waste Management Challenges

d) Service Delivery Levels

The table below specifies the service delivery levels for the year:

Description	2016/17	2017/18
	Actual	Actual
Household		
***Refuse Removal:* (Minimum level)**		
Removed at least once a week	40 772	41 182
Minimum Service Level and Above Percentage	**100%**	**100%**
***Refuse Removal:* (Below minimum level)**		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
Below Minimum Service Level Sub-total	**0**	**0**
Below Minimum Service Level percentage	**0%**	**0%**
Total number of households	**40 772**	**41 182**

Waste Management Service Delivery Levels

e) Employees: Cleansing Services

The following table indicates the staff composition for this division:

Employees: Cleansing Services				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	81	63	18	22
4 - 6	11	11	0	0
7 - 9	3	2	1	33
10 - 12	1	0	1	100
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**97**	**77**	**20**	**20**
Employees and post numbers are as at 30 June				

Employees: Cleansing Services

f) Capital: Waste Management

The following table indicate the capital expenditure for this division:

Capital Expenditure 2017/18: Waste Management					
Capital Projects	2017/18				
	R'000				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Old new waste disposal site-solid waste	3 947	1 315	731	584	3 947
Total	**3 947**	**1 315**	**731**	**584**	**3 947**

Capital Expenditure: Waste Management

3.3.5 Housing

a) Introduction to Housing

The Human Settlements Department's core function is to provide housing opportunities to deserving beneficiaries largely through two main programs. The programmes being Informal Settlements Upgrading (UISP) and Integrated Residential Development (IRDP). IRDP includes residential serviced sites, Breaking New Ground (BNG), GAP Housing and the environment for private housing, as well as social economic sites.

The department is gearing itself to deliver optimally and thus have motivated for a new organogram that is responsive to the needs of the community. The organogram has been approved and partially funded. This will see policy, land and forward planning, new housing (ownership) and social housing (rental) receiving the necessary elevation and attention.

During this past financial year, a lot of preparation was done for future delivery and has resulted in funding for planning being received for three projects namely Dysselsdorp, Oudtshoorn Central (GG Kamp, Kanaal and Black Joint Tavern) and Spekkop. Each have progressed with respect to layouts, Environmental Impact Assessments (EIAs) and Stormwater Studies. The budget of R1 329 million was spent optimally. A land audit was conducted and the process resulted in Council agreeing to dispose of land for the purposes of residential development, including GAP/ Finance Linked Individual Subsidy Programme (FLISP), BNG, service sites; alternative land for Upgrade of Informal Settlements Programme (UISP) and market related business.

The Allocation Policy and the Oudtshoorn Rental Strategy were workshopped and submitted to Council for approval (await Council meeting).

We have attempted to make the lives of the people easier by ensuring access to services e.g the sanitation service delivery in informal settlements increased from 696 toilets to 816 toilets and ratio's improved from 1: 2,7 to 1: 2,04.

The Municipality responded to 95 cases involving fire, flood and court evictions by supplying 3 x 3m structures and structures, material or plastic in other cases.

We have continued to produce serviced sites and top structures. Rosevalley Phase II is complete with 335 houses handed over in December 2017 and Rosevalley Phase III was 80% complete with installation of services, in readiness for 332 top structures. The budget of R61 million was optimally spent.

We are also attempting to deal with historical outstanding title deeds and have received R5 million from the Provincial Government. The outcome of the tender process is awaited. We have, however, issued 299 title deeds (mainly in Rosevalley Phase I).

b) Highlights: Housing

The table below specifies the highlights for the year:

Highlights	Description
Handing over of title deeds	299 Title deeds were handed over as part of the Rosevalley project (phase 1) and other projects
Rosevalley Phase 2	As part of the Rosevalley project (phase 2), 335 housing opportunities were completed

Highlights	Description
Rosevalley Phase 3	As part of the Rosevalley project (phase 3) 266 sites were serviced
Best Informal Settlement Upgrade	The Municipality were awarded for The Best Informal Settlement Upgrade (tied with Stellenbosch Municipality) on provincial level and runner up on a national level for the Rosevalley Housing Project (phase 2)
Increase of housing budget	The housing budget was increased from R27 million to R61 million
Infill housing	Approval was obtained from Council for infill housing on vacant land that will be utilized for a range of housing options

Housing Highlights

c) Challenges: Housing

The department does not have sufficient staff capacity to implement its intended programs easily.

The table below specifies the challenges for the year:

Description	Actions to address
Insufficient staff	The organisational structure and budget has been approved to address the lack of personnel. Vacancies must now be advertised and filled
Lack of dedicated vehicles	Budgetary provision must be made to procure dedicated housing vehicles
Reparation of poorly constructed houses	Assistance has been requested from the Provincial Department of Human Settlements to address the issue and the outcome is awaited

Housing Challenges

d) Employees: Human Settlements

The following table indicates the staff composition for this division:

Employees: Policy, Education & Research				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	1	0	1	100
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**2**	**0**	**2**	**100**
Employees and post numbers are as at 30 June				

Employees: Policy, Education & Research

Employees: Land and Forward Planning				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	1	0	1	100
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**2**	**0**	**2**	**100**
Employees and post numbers are as at 30 June				

Employees: Land and Forward Planning

Employees: New Housing				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	4	1	3	75
7 - 9	0	0	0	0
10 - 12	4	0	4	100
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**9**	**1**	**8**	**88**
Employees and post numbers are as at 30 June				

Employees: New Housing

Employees: Social Housing (Rental)				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	1	0	1	100
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	1	0	1	100
16 - 18	0	0	0	0

Employees: Social Housing (Rental)				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
19 - 20	0	0	0	0
Total	**2**	**0**	**2**	**100**
Employees and post numbers are as at 30 June				

Table 97 *Employees: Social Housing (Rental)*

Employees: Strategic Support				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	1	0	1	100
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**2**	**0**	**2**	**100**
Employees and post numbers are as at 30 June				

Table 98 *Employees: Strategic Support*

Employees: Informal Settlements				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	2	1	1	50
4 - 6	0	0	0	0
7 - 9	7	1	6	85
10 - 12	0	0	0	0
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**10**	**2**	**8**	**80**
Employees and post numbers are as at 30 June				

Table 99 *Employees: Informal Settlements*

Employees: Administration				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	10	3	7	70
7 - 9	1	1	0	0
10 - 12	0	0	0	0
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**12**	**4**	**8**	**66**
Employees and post numbers are as at 30 June				

Employees: Administration

e) Capital: Housing

The following table indicate the capital expenditure for this division:

Capital Expenditure 2017/18: Housing					
Capital Projects	2017/18				
	R'000				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Camera	0	15	4	10	15
Projector	0	20	4	15	20
Rosevalley phase 3 - civil services	0	18 151	16 110	2 040	18 151
Total	**0**	**18 186**	**16 120**	**2 065**	**18 186**

Capital Expenditure: Housing

3.3.6 Free Basic Services and Indigent Support

a) Introduction

Basic municipal services are rendered to all urban areas and some rural areas within the municipal boundaries. Lack of funding is direly restricting progress within the extension of basic services to areas still requiring services or in need of improvements in existing services. The following table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved Indigent Policy of the Municipality, all households earning less than **R3 300** per month receive the allocated free basic services as prescribed by national policy.

Financial year	Number of households								
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2016/17	14 465	5 141	35.54	5 541	38.31	5 541	38.31	5 541	38.31
2017/18	14 876	5 788	38.93	5 756	38.69	5 759	38.71	5 766	38.76

Table 107 *Free Basic Services to Households*

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No. of HH	Unit per HH (kwh)	Value R'000	No. of HH	Unit per HH (kwh)	Value R'000	No. of HH	Unit per HH (kwh)	Value R'000
2016/17	5 141	50KwH	4 205	0	0	0	100	50KwH	59
2017/18	5 788	50KwH	5 260	0	0	0	208	50Kwh	233

Table 108 *Free Basic Electricity Services to Indigent Households*

Water						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	Unit per HH (kl)	Value R'000	No. of HH	Unit per HH (kl)	Value R'000
2016/17	5 541	6kl	8 584	0	0	0
2017/18	5 756	6kl	9 930	0	0	0

Table 109 *Free Basic Water Services to Indigent Households*

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No of HH	R value per HH	Value (R'000)	No of HH	Unit per HH per month	Value (R'000)
2016/17	5 541	1 279.90	5 624	0	0	0
2017/18	5 759	1 413.00	6 500	0	0	0

Table 110 *Free Basic Sanitation Services to Indigent Households*

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Service per HH per week	Value (R'000)	No of HH	Unit per HH per month	Value (R'000)
2016/17	5 541	1 303.00	5 588	0	0	0
2017/18	5 766	1 438.50	6 670	0	0	0

Table 100 *Free Basic Refuse Removal Services to Indigent Households*

3.4 COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (stormwater drainage).

3.4.1 Roads and Stormwater

a) Introduction to Roads and Stormwater

Roads and Streets

Road deterioration over time is the result of either a combination of influencing factors ranging from traffic loading, weather conditions, the type of pavement and construction methods, aging of the pavement, non-timeous or regular routine/normal maintenance, non-timeous or regular resurfacing, etc or it can be due to a singular factor as mentioned herein.

Different road sections require different types of maintenance varying from routine and normal to heavy rehabilitation. Possible project types range from routine maintenance (e.g. patching), to resurfacing and heavy rehabilitation (e.g. thick overlays and reconstruction). With the limited funds available it is important that these funds be spent at the right place at the right time to ensure optimum use of funds. The use of a Pavement Management System is generally accepted as essential for determining the maintenance and upgrade needs/programmes for pavements in a network of roads.

These programmes provide a good assessment of the total funds required to meet the maintenance (routine/resurfacing/rehabilitation) needs of the network and, in most cases, the type of maintenance required. The needs of individual projects should, however, be verified by further investigation to allow for additional unrecorded factors.

From the network definition and visual condition assessments, as per the Pavement Management System 2017, the Oudtshoorn Municipal Area consists of approximately 192 km of paved roads (asphalt/seal) and approximately 4 kms of block paved roads with the network having a total replacement value of approximately R800 million.

Public Transport

The National Land Transport Transition Act (NLTTA), Act 22 of 2000, as amended by the National Land Transport Amendment Act, Act 26 of 2006, requires that district and local authorities compile a package of plans to give effect the requirements of these acts. As a further requirement three kinds of transport plans must be prepared by the different levels of government, i.e.:

- A National Land Transport Strategic Framework (NLTSF), to be prepared by the National Department of Transport

- A provincial Land Transport Framework (PLTF), to be prepared by provinces
- Integrated Transport Plans (ITP's), to be prepared by municipalities

The ITP's are further categorised for three different types of planning authorities:

- Type 1 Planning Authorities to prepare Comprehensive Integrated Transport Plans
- Type 2 Planning Authorities to prepare District Integrated Transport Plans
- Type 3 Planning Authorities to prepare Local Integrated Transport Plans

Oudtshoorn Municipality is a Type 3 Planning Authority and therefore must prepare a Local Integrated Transport Plan (LITP).

The minimum content of a LITP is as follows:

1) Introduction

- Responsibility
- Status of plan

2) Transport Status Quo

- Summarized assessment of status quo in terms of problems and causes of problems

3) Transport Needs Assessment

- Problems areas
- Objectives
- Strategies
- Comprehensive list of projects

4) Transport Improvements Proposals

- Prioritisation of projects
- Budget constraints

5) Implementation Budget and Programme

- Sources of funding
- Cost estimates
- Programme and budgets
- Project plans

The Integrated Development Plan (IDP) is a requirement of the Local Government: Municipal Systems Act. It states that varies integrated plans, of which the ITP is one, be taken up in the IDP. The Municipal Financial Management Act determines that projects identified in the IDP must be taken up in the municipal budget.

The existing transport system, in terms of the road system, traffic volumes, public transport services and facilities (minibus taxis, minibus taxi facilities, buses, rail services, non – motorised transport, parking areas, special needs passengers, freight) is then assessed and given an overview on.

Stormwater

In 2012, Council adopted and approved a Stormwater Master Plan for the Oudtshoorn Municipal area. The master plan study area entails the towns of Oudtshoorn, Dysselsdorp and De Rust.

The master plan is furthermore made up of three (3) volumes:

- Volume 1: Oudtshoorn Municipality – Oudtshoorn Stormwater Master Plan
- Volume 2: Oudtshoorn Municipality – Dysselsdorp and De Rust Stomwater Master Plan
- Volume 3: Oudtshoorn Municipality – Grobbelaarsrivier Floodline Investigation

The holistic scope of the master plan, the compilation and the eventual execution of the master plan investigation included the following:

- Continuous liaison with relevant officials from the Oudtshoorn Municipality inclusive of preliminary site visits
- Continuous liaison with the other interested and affected parties, inclusive of amongst other residents, retired municipal officials, other consultants working for the Municipality and other consultants working for private developers
- Visual investigations of the complete current stormwater infrastructure within the study area
- Compilation of draft layout plans of all infrastructure within the study area
- Surveying of all infrastructure on the draft layout plans within the study area
- Capturing all surveyed data of all infrastructure within the study area in appropriate computer programs
- Capturing all surveyed data of all infrastructure within the study area in analysis software
- Compilation of a stormwater sub catchment model of the study area
- Compilation of a stormwater drainage model of all infrastructure within the study area
- Compilation of relevant hydrographs for the respective flood events (i.e. 1: 5 years, 1: 10 years floods, etc.)
- Analysis and modelling of respective flood events
- Report on the results of the stormwater model, flagging the deficiencies and shortcomings of the existing system
- Recommendations on the rehabilitation of the deficiencies in the existing system
- Hydrological and hydraulic study of the Grobbelaarsrivier through Oudtshoorn to determine the floodlines of the river

The 1 in 5 year recurrence interval is normally seen as the minor flood event where the system is intended to function up to and including this event, i.e. all normal rain events up to and including a 1 in 5 year event. Since the 1 in 5 year minor flood event is critical for the analysis of the normal functioning of the minor stormwater system, insufficient capacities in drainage lines in this analysis need to be addressed.

The 1 in 50 year flood event is seen as a major flood event, where the major system (overflow system) is intended to handle up to and including this 1 in 50 year event. Upgrades to cater for these events will however be costly.

The table below consists of recommended upgrades to capacity constraints as well proposed general upgrades to the system for the study area.

Recommended upgrades to capacity constraints normally entail one or more of the following:

- Increase stormwater pipe diameter size

- Additional stormwater pipes
- Inlet and outlet control
- Erosion protection
- Kerbing
- Maintenance to existing stormwater infrastructure

General upgrades to the system on the other hand entail constructing new stormwater infrastructure where such infrastructure is practically non – existent.

The study of the floodlines of the Grobbelaarsrivier will assist the Municipality in issues related to town planning, i. e. how far from the river banks future development must take place, etc.

The following table illustrates recommended upgrades to the existing system.

Town	Recommended upgrades – Cost inclusive VAT as at 2017	Proposed general upgrades – Cost inclusive of VAT as at 2017
Oudtshoorn	R11 672 870	R15 65 117
Dysselsdorp and De Rust	R12 540 242	R5 000 000

Over and above the cost illustrated, the establishment of new stormwater infrastructure in areas where systems are non – existent, is immense and has to be appropriated for in future.

b) Highlights: Roads and Stormwater

The table below specifies the highlights for the year:

Highlights	Description
100% Expenditure of Municipal Infrastructure Grant (MIG) funding on rehabilitation and reseal projects	100% of the allocated MIG funding were spend on the rehabilitation and reseal of roads that utilised local labour and sub-contractors

Roads and Stormwater Highlights

c) Challenges: Roads and Stormwater

The table below specifies the challenges for the year:

Description	Action to address
Funding for periodic reseal of roads	Budgetary provision must be made to reseal roads
Roads have reached a critical stage and certain roads need to undergo light to medium rehabilitation.	Budgetary provision must be made and funding must be sourced for the rehabilitation of roads
Upgrade of existing stormwater infrastructure	Budgetary provision must be made and funding must be sourced for the upgrade of existing stormwater infrastructure

Road and Stormwater Challenges

d) Services Delivery Levels

The tables below specify the service delivery levels for the year:

Tarred (Asphalted) Roads

Financial year	Total km tarred roads	Km of new tar & paved roads	Km existing tar roads re-tarred	Km of existing tar roads re-sheeted	Km tar roads maintained
2016/17	215	0.6	2.6	29	29
2017/18	192	0.0	0.0	1.0	100

Tarred (Asphalted) Roads

Gravel Roads

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar / block paving	Km gravel roads graded/maintained
2016/17	36	0.0	0.6	18
2017/18	29	0.0	0.9	10

Gravel Roads

Tar roads are maintained in line with the reports of problems received or as maintenance is required.

The table below shows the desired costs involved for the maintenance and construction of roads within the municipal area:

Financial year	New and Replacements	Resealed	Maintained
	R'000		
2016/17	2 000	17 500	2 200
2017/18	43 660	3 180	6 000

Cost of Construction/Maintenance of Roads

e) Employees: Roads and Stormwater

The following table indicates the staff composition for this division:

Employees: Roads and Stormwater				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	66	38	28	42
4 - 6	23	15	8	34
7 - 9	9	8	1	11
10 - 12	4	4	0	0
13 - 15	3	1	2	66
16 - 18	1	1	0	0
19 - 20	0	0	0	0

Employees: Roads and Stormwater				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
Total	5	2	3	60
Employees and post numbers are as at 30 June				

Table 110 *Employees: Roads and Stormwater*

f) Capital: Roads and Stormwater

The following table indicates the capital expenditure for this division:

Capital Expenditure 2017/18: Roads and Stormwater					
Capital Projects	2017/18				
	R'000				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Laptop/computer and software	0	136	102	34	136
Office furniture equipment	0	42	42	0	42
Cameras	0	21	17	3	21
Roads streets (MIG)	1 570	2 012	2 129	(116)	2 012
Air conditioners	0	13	5	7	13
Upgrading of stormwater system-De Rust	438	175	596	(421)	175
Upgrading of stormwater systems	877	438	512	(74)	438 596
Paving of streets	0	6 819	5 278	1 540	6 819
Upgrading of Church Street bridge	0	182	95	86	182
Total	**2 655 359**	**9 841**	**8 765**	**1 058**	**9 841**

Table 111 *Capital Expenditure: Roads and Stormwater*

3.5 COMPONENT C: PLANNING AND LOCAL ECONOMIC DEVELOPMENT

3.5.1 Planning and Development

a) Introduction to Planning and Development

Planning and Development comprise of:

- Spatial planning
- Land use management
- Building control

- Environmental health management and heritage matters

Planning and Development is committed to deliver planning outcomes that address the plight of the poor and broaden development objectives. As a former participant in the Build Environment Support Programme (BESP), the Oudtshoorn Municipality has a credible Spatial Development Framework (SDF), which addresses the impact of the economic downturn, custodianship over biodiversity areas, development of infrastructure and rural development.

Planning and Development is, furthermore, in respect of building control, committed to providing an innovative and progressive service in order to achieve quality buildings that fully comply with the complex Building Regulations. A comprehensive plan checking process and regular, reliable site inspections by qualified Building Control Officials, help to ensure that the building regulation requirements are incorporated into each building project.

The mission of Planning and Development is to:

- Strive toward administrative excellence, by reviewing and developing operating procedures on a continuous basis, with the aim of delivering a service that is effective, fair, transparent and compliant
- Recognise the key role it plays in ensuring an enabling environment for economic development as a means to sustainable livelihoods for its residents. Building a sustainable economic position that capitalises on the natural endowment of Oudtshoorn and its broader locality and creates opportunities for collaboration and economic opportunities
- Continuously aim to deliver a service that is effective, fair, transparent and compliant

b) Highlights: Planning and Development

The table below specifies the highlights for the year:

Highlights	Description
The Manager Planning and Development and the Town Planner registered with the South African Council for Planners (SACPLAN) as a Professional Planner and Technical Planner respectively	Both registered in terms of the Planning Professions Act 36 of 2002. In terms of the Oudtshoorn Municipal By-law on Municipal Land Use Planning (2016) and the Western Cape Land Use Planning Act (Act 3 of 2014) only registered planners can make assessments and evaluate applications
Revision of the SDF	Council approved the revision of the SDF. The Municipality is working in close collaboration with the Department of Environmental Affairs and Development Planning (DEADP) to have a status quo document ready by August 2018
Appointment of an Environmental and Heritage Officer	The Municipality appointed an Environmental and Heritage Officer, who's expertise will contribute in terms of environmental compliance that the Municipality must achieve
Environmental and Heritage Officer has also been formally appointed as the Oudtshoorn Municipality's Air Quality Officer	In terms of Section 14 of the National Environmental Air Quality Act, 2004, each municipality must designate an air quality officer from its administration to be responsible for coordinating matters pertaining to air quality management
Adoption of first Air Quality Management Plan	The Municipality has adopted its first Air Quality Management Plan as per the requirements
Responses to Pre-Directives and Directives in terms of the National Environmental Management Act (NEMA)	The Environmental Officer in collaboration with the Manager Planning and Development have continuously responded sufficiently and in a detailed manner to directives and pre-directives issued by the Provincial Department
Intergovernmental Relationship with the DEADP	The Oudtshoorn Municipality has established a better intergovernmental relationship regarding environmental matters

Highlights	Description
	with the DEADP. The Department is delighted to work together with the Oudtshoorn Municipality to protect the environment in the Oudtshoorn area
The Air Quality Officer has been selected to be part of the steering committee for the Air Quality Education and Awareness Raising Task Team	This steering committee will be responsible to drive air quality awareness and education in the Western Cape
The proposed Oudtshoorn Air Quality By-law is currently in draft form for comments by the Provincial Department and Eden District Municipality	The By-law is in an advanced stage and when approved by Council, will make monitoring and enforcement of air quality related matters easier
Oudtshoorn Aerodrome By-law is currently under review	The aim of the review of this By-law is for better implementation and enforcement regarding aerodrome activities

Table 111 *Planning and Development Highlights*

c) Challenges: Planning and Development

The table below specifies the challenges for the year:

Description	Actions to address
Adoption of amendments to the Oudtshoorn Air Quality By-law as suggested by DEADP	The final draft will be tabled before Council and published in the Provincial Gazette
Appointment of an Assistant: Environmental Health and Heritage Officer	A proposal will be submitted to review the organogram in order to appoint an assistant to the Environmental Officer (administration and fieldwork)
Appointment of law enforcement officials to enforce by-laws and other applicable legislation	A proposal will be submitted to dedicate 2 law enforcement officers to the Sub-directorate: Planning and Development. The latter will not only generate additional income but will also enable the Municipality to deal with complaints effectively and to ensure compliance with legislation
Appointment of a Senior Town and Regional Planner	Request will be to appoint a Senior Town and Regional Planner to manage and provide guidance/support to the Town Planning and Environment/Heritage Sections

Table 112 *Planning and Development Challenges*

d) Service Delivery Levels

The table below specifies the service delivery levels for the year:

Type of service	2016/17	2017/18
Building plan applications processed	300	289
Total surface (m2)(Value)	26 612m²	35 837m²
Approximate value of building work in (Rand)	R122 425 460	R221 941 463
Approximate value (Rand)	R382 539	R550 586
Land use applications processed	108	162
Complaint handling and responses to directives (Environment/Heritage)	n/a	223

Table 113 *Additional Performance Planning and Development*

e) Employees: Planning and Development

The following table indicates the staff composition for this division:

Employees: Planning and Development				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	3	3	0	0
7 - 9	0	0	0	0
10 - 12	9	3	6	66
13 - 15	4	3	1	25
16 - 18	1	0	1	100
19 - 20	0	0	0	0
Total	**17**	**9**	**8**	**47**
Employees and post numbers are as at 30 June				

Table 111 *Employees: Planning and Development*

3.5.2 Local Economic Development (LED)

The town's economic future lies in improving and expanding on current initiatives in learning and teaching, agriculture, tourism and industrial development. With firms already concentrating on the above key economic sectors, our longer term Vision 2030 strategy must be adjusted to build on the foundation provided by the town's current strengths. In the process of expanding the economy, we need to ensure that all projects and programmes focus on the following development objectives:

- **Create business opportunities:** Create and maximize opportunities to produce and sell products or provide services for existing and new businesses
- **Become a leader:** Maintain and increase leadership positions in training, agriculture and tourism
- **Regeneration of disadvantaged areas:** Achieve economic prosperity in all wards and specifically the previously disadvantaged areas by implementing a regeneration strategy per ward
- **Promote BEE (Black Economic Empowerment) and Small, Medium and Micro-sized Enterprise (SMME) development:** Enhance SMME development and BEE by utilising various new initiatives and strategies

 What has been identified as vital to the LED program, is strategically located pockets of land that can be targeted for integrated mixed-use development to benefit all sectors of society, including land owned by the Municipality, public agencies and the private sector.

 Oudtshoorn has a robust local economy that is rapidly diversifying. The economy has the ability to attract larger investments (i.e. in ecotourism, potential manufacturing activity or a regional airport hub). The Oudtshoorn Municipality understands that they should '**get the basics right**' by delivering basic services (such as water,

sanitation, electricity, roads and street lighting), supporting the creation of adequate settlements and housing opportunities, contributing to a robust local economy that creates and sustains job opportunities.

The Oudtshoorn Municipality therefore aims to initiate an ambitious, sustainable infrastructure and integrated human settlement system that can create new opportunities for the following:

- Increasing population density through socially diverse residential developments
- Transforming the townships into attractive, safe and vibrant neighbourhoods
- Local economic development including commercial, industrial, tourism, arts and crafts
- Educational and training facilities and opportunities
- Environmental rehabilitation of open spaces and the beautification of public and natural areas
- Transportation, with special reference to the reinforcement of public transport, through infrastructure projects
- Use of strategic pockets of land for commercial and residential development to increase the tax base of the town
- Use the current aerodrome as a catalyst for economic growth

a) Highlights: LED

The following performance highlights with regard to the implementation of the LED Strategy are:

Highlight	Description
Apprenticeship academy with Imperial Technical Training Academy	A partnership was established with Imperial Technical Training Academy to establish a Centre in Oudtshoorn to serve the Klein and Greater Karoo
Memorandum of understanding with the University of Stellenbosch	Council signed an agreement with the University of Stellenbosch to cooperate on various projects/initiatives
Partnership with UNISA and South Cape College	The Municipality in partnership with UNISA and South Cape College facilitated the Introduction of the Foundation Phase Teacher Training on a full and part time basis in Oudtshoorn, George and Mossel Bay
ABSA Entrepreneurs Program	The Municipality in partnership with ABSA and the local youth café office facilitated an initiative of identifying 60 young businessmen to be trained on various aspects of running your own business
Partnership with the Provincial Department of Public Works and Transport	The Municipality facilitated a process with the department to secure an old hostel to host the Adult Learning Centre, Southern Youth Film Festival (SUFF), Youth Academy and Access Learning Computer Centre. A new fence was erected and this building is earmarked for an apprenticeship academy
Bridgton Business Centre	The Municipality coordinated the development of a business centre containing various retail shops to the estimate value of R44 million. The project will commence with the construction phase in October 2018 and is due for completion in 2019
Klein Karoo Mall on the Calitzdorp / Mossel Bay T-junction	The Municipality called for development proposals for commercial and residential properties on the 15 hectors of Council owned land

Table 11: *LED Highlights*

b) Challenges: LED

The table below specifies the challenges for the year:

Description	Actions to address
Available land for agricultural use specifically in the Dysselsdorp area	Integrated planning should be conducted and discussions with various government departments in order to address the issue
Lack of seed capital to assist upcoming entrepreneurs	Applications should be submitted to obtain funding in order to support and develop entrepreneurship and small business development
Lack of funding for the upgrade/ beautification of the CBD	Partner with local business chamber for the upgrade/ beautification of the CBD
Creation of an Informal market whereby entrepreneurs could showcase their products	Approval of the Informal Trading Policy

[illegible] *Challenges LED*

c) LED Strategy

Strategic Areas	Description
Agriculture	Diversify agriculture and add value through the implementation of processing systems
Industrial development	Promote and create incentives for new and modern industrial development in the community
Infrastructure economy	Upgrade and expand basic infrastructure such as water, electricity and roads to foster economic development
Tourism	Transform and expand the tourism sector through new initiatives and vigorous marketing

[illegible] *LED Strategic Areas*

d) Tourism and Marketing

Oudtshoorn Municipality is embarking on a process of establishing a long-term strategic vision to guide both municipal and community decisions concerning achieved economic growth, as well as the regeneration of previously disadvantaged areas in all wards. The town stands on a threshold of economic growth and faces multiple challenges. To deal with current and future challenges, a far-sighted investment plan needs to be developed as part of a visionary statement for 2030.

The following challenges were experienced in relation to tourism and marketing:

- Lack of funding
- Lack cohesion in marketing efforts
- Lack of resources that can be allocated to the development of tourism initiatives
- Limited capacity available to coordinate tourism development and mobilise funding efforts
- Ineffective economic empowerment and economic inclusion strategies
- Limited involvement of previously disadvantaged communities
- Inconsistent profiling of offered rural products

e) Employees: LED

The following table indicates the staff composition for this division:

Employees: LED				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	2	2	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**3**	**3**	**0**	**0**
Employees and post numbers are as at 30 June				

Table 1.12 *Employees: LED*

3.6 COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.6.1 Libraries

a) Introduction to Libraries

The role of libraries is to promote literacy and the pure enjoyment of reading. Our libraries today are a place where people can go to get information and access free internet, whether it's for leisure, study or for work. Each library is situated in the heart of the community and we help to create a sense of belonging and respond to the needs of the community. There are five libraries and a mini library in the Greater Oudtshoorn Municipality:

- CJ Langenhoven Library
- Bongolethu Library
- Bridgton Library
- De Rust Library
- Dysselsdorp Library
- Volmoed Mini Library

Our Goal:

We aim to provide opportunities for lifelong learning and to assist children and young people to develop imagination and creativity. We also aim to give adults adequate opportunities to learn about their cultural heritage.

To offer something to everyone, to give each individual a chance to succeed by promoting literacy, improving quality of life and providing services that are difficult to find elsewhere.

Our Purpose:

We strive to be a dynamic, vital force in the development of our community, by extending our services to users and non-users of the libraries through both traditional and progressive methods and to maintain a warm, friendly and people-orientated atmosphere.

We also aim to provide resources and services in various forms of media, to meet the needs of individuals and groups concerning education, information and personal development.

b) Highlights: Libraries

The table below specifies the highlights for the year:

Highlights	Description
Bridgton Public Library turned 40 years old	Provincial Library Services together with the Municipality celebrated the 40th year of existence of Bridgton Public Library in December 2017
Amnesty/Library Week	For the first time in history, library patrons got an amnesty period/week where old fines were waved and late books could be returned to libraries without fining the patron. However, damaged and lost books had to be paid for
Mzanzi Library Online Project	CJ Langenhoven Memorial Library was one of the pilot projects sponsored by the Bill and Melinda Gates Foundation. The library received 20 computers, 10 tablets, 10 E-Readers, 1 document scanner, 2 printers, software, gaming room setup (including 3 computers, 3 X-Box console kits, 2 Playstations and gaming handsets). This project will benefit the patrons who cannot afford to buy the equipment for themselves. Network points were installed in March 2018. The computers are connected and used by patrons daily
Library for the blind	Visual impaired people can read the daily newspapers and magazines at CJ Langenhoven Memorial Library daily. The library has a demarcated area with the latest equipment, especially for the patrons with special visual needs
Appointment of Library Manager	The vacancy of the Library Manager post has been filled
Rosevalley building project	The Municipality received confirmation for a capital project to build a new library in Rosevalley funded by a conditional grant to the value of R8.5 million

Table 120: *Libraries Highlights*

c) Challenges: Libraries

The table below specifies the challenges for the year:

Description	Actions to address
Upgrade and maintenance of library buildings due to a lack of funding	Applications must be submitted to secure funding for the upgrade of libraries
To render a full library service to all the rural communities of the Greater Oudtshoorn	Establishment of wheelie wagons and modular libraries to address the need in rural communities
Lack of space in existing libraries	Bigger libraries should be built to accommodate the changing needs of the communities
Dedicated library vehicles to take library services to rural areas	Budgetary provision must be made to procure dedicated library vehicles

Description	Actions to address
Vacant posts	Job evaluations must be done in order to fill all the vacant posts

Table 121 *Libraries Challenges*

d) Service Delivery Levels

The table below specifies the service delivery levels for the year:

Type of service	2016/17	2017/18
Library members	143 359	142 596
Books circulated	211 381	216 505
Exhibitions held	60	55
Internet users	8 349	13 666
Children programmes	300	309
Visits by school groups	20	24

Table 122 *Service Delivery Levels for Libraries*

e) Employees: Community Services

The following table indicates the staff composition for this division:

Employees: Office of the Director Community Services				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	1	0	0
4 - 6	0	0	0	0
7 - 9	1	0	1	100
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	**1**	**1**	**0**	**0**
Total	**3**	**2**	**1**	**33**
Employees and post numbers are as at 30 June				

Table 123 *Employees: Office of the Director Community Services*

f) Employees: Libraries

The following table indicates the staff composition for this division:

Employees: Libraries				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	8	7	1	12.5
4 - 6	15	10	5	33
7 - 9	2	1	1	50
10 - 12	3	1	2	66
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**29**	**20**	**9**	**31**
Employees and post numbers are as at 30 June				

[illegible] *Employees: Libraries*

3.6.2 Cemeteries

a) Introduction to Cemeteries

The Greater Oudtshoorn has 5 cemeteries in Oudtshoorn, Dysselsdorp and De Rust that are managed by a supervisor.

b) Highlights: Cemeteries

The table below specifies the highlights for the year:

Highlights	Description
Provision of mobile toilet facilities for weekend funerals	Permanent structures are being vandalized. Alternative methods were investigated and mobile toilet facilities are hired and used as a temporary solution
100% preparation of graves	All grave sites booked were successfully prepared in time for funerals

[illegible] *Cemeteries Highlights*

c) Challenges: Cemeteries

The table below specifies the challenges for the year:

Description	Actions to address
Limited space	The extension of existing cemeteries has been initiated
Vandalism of buildings, fences and graves	After hours patrols must be conducted

[illegible] *Cemeteries Challenges*

d) Services Delivery Levels

The table below specifies the service delivery level for the year:

Type of service	2016/17	2017/18
Burials	572	977

Table 137 *Services Delivery Level for Cemeteries*

3.6.3 Social Development

a) Introduction to Social Development

The Manager: Special Programmes reports to the Executive Manager: Strategic Services on an administrative level and to the Deputy Executive Mayor on a political level. The objective of this section is to address social shortcoming in the community.

Sports development

- Development of an integrated sports development plan and monitoring implementation
- Development of sports codes and support to clubs
- Sourcing of big sports events
- Complete funding applications for sporting activities and infrastructure

Youth development & vulnerable groups

- Develop an integrated youth development plan and monitoring implementation
- Develop and implement plan to focus on vulnerable groups
- Promote youth and vulnerable group initiatives and projects
- Ensure Council address youth and vulnerable group initiatives in all activities

Social development

- HIV/Aids and health issues
- Developing an integrated HIV/Aids Plan for the Municipality
- Develop and implement plan to address major health related issues
- Monitoring implementation of donor funding to support groups
- Sourcing of donor funding to support HIV/Aids and health issues

Transversal issues

- Develop and implement poverty alleviation strategy
- Implementation of soup kitchens across the municipal area
- Develop and source funding ECD and transversal issues

Event management

- Development of an Events Calendar
- Develop and implement strategies in terms of the Events Calendar, to strengthen the economy of the town

b) Highlights: Social Development

The table below specifies the highlights for the year:

Highlight	Description
Establishment of an Eden Youth Academy	The Municipality facilitated the establishment of the Eden Youth Academy that focusses on youth in conflict with the law. It will be an initiative of B Municipalities within the Eden Region. The academy will be a youth development organization, as well as a social crime prevention initiative, empowering young people to take responsibility for their personal growth
Memorandum of understanding (MOU) with the Department of Social Development (DSD)	The Municipality and the DSD entered into a MOU to embark on various projects to the benefit of the community
Shelter for the Homeless	In conjunction with DSD, the Municipality revamped a municipal owned building and converted it into a shelter for homeless people. The shelter is currently fully operational
Social Working Group	The Municipality established a working group with all the role players within the social development sector. This forum was established as a development partnership with stakeholders to ensure effective coordination of sectors and to promote developmental effectiveness in Oudtshoorn as part of the implementation of Council's Vison 2030
Meals on Wheels	A service provider was appointed to implement the project. This project is driven by the Office of the Executive Mayor to provide food for the poorest of the poor
Community Chest	A service provider was appointed to implement social programs. This initiative is driven by the Office of the Executive Mayor and is aimed at benefitting high school pupils
Local Drug Action Committee (LDAC)	The establishment and drafting of business plans have successfully been completed
Disability and Elderly Forum (D&EF)	The establishment a MOU has occurred
Sports Development and Events	The Municipality facilitated and hosted various sports events in the municipal area including the community cub games, sports festival, national cycling championships and national swimming event
Early Childhood Development (ECD) Forum	The ECD Forum was established

Table 120 *Social Development Highlights*

c) Challenges: Social Development

The table below specifies the challenges for the year:

Description	Actions to address
Lack of funding	Budgetary provision must be made and a funding application submitted to source additional funding
Lack of human capital	Additional personnel must be appointed

Table 121 *Social Development Challenges*

d) Employees: Social Development

Employees: Social Development				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	2	2	0	0
10 - 12	3	3	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**6**	**6**	**0**	**0**
Employees and post numbers are as at 30 June				

Table 137 *Employees: Social Development*

3.7 COMPONENT F: SECURITY AND SAFETY

3.7.1 Traffic Services

A turn-around strategy for the Traffic Department was implemented in the year under review. Improved command and control, as well as discipline have largely contributed towards a more effective, efficient and cost-effective traffic department.

a) Highlights: Traffic Services

The table below specifies the highlights for the year:

Highlights	Description
Upgrade of the driving license testing yard	The testing yard did not comply with the minimum requirements. As a result, applicants could not be tested for all driving license classes. It was upgraded from a capital amount of approximately R652 000
Klein Karoo Arts Festival (KKNK)	The KKNK is an annual event and certainly the biggest event hosted in Oudtshoorn

Table 138 *Traffic Services Highlights*

b) Challenges: Traffic Services

The table below specifies the challenges for the year:

Challenges	Actions to overcome
Shortage of manpower	The micro structure is in the process of review where it makes provision for more traffic officers

Challenges	Actions to overcome
Lack of skilled personnel	A needs analysis has been made to determine shortcomings regarding training of personnel to be better equipped
Traffic Infrastructure not user friendly and inadequate	Budgetary provision must be made for the upgrade of infrastructure

Table 1.57 *Traffic Services Challenges*

c) Services Delivery Levels

The table below specifies the service delivery levels for the year:

Details	2016/17	2017/18
Motor vehicle licenses processed	7 648	6 701
Learner driver licenses processed	4 523	2 496
Driver licenses processed	3 296	1 141
Driver licenses issued	1 508	5 226
Fines issued for traffic offenses	1 680	5 828
R-value of fines collected	1 155 200	114 021
Roadblocks held	64	63
Complaints attended to by Traffic Officers	83	133
Number of officers in the field on an average day	10	8
Number of officers on duty on an average day	6	8

Table 1.58 *Services Delivery Levels for Traffic Services*

d) Employees: Traffic Services

The following table indicates the staff composition for this division:

Employees: Traffic Services				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	13	1	12	92
7 - 9	2	0	2	100
10 - 12	15	11	4	26
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**31**	**12**	**19**	**61**
Employees and post numbers are as at 30 June				

Table 1.59 *Employees: Traffic Services*

Employees: Traffic Administration				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	15	15	0	0
7 - 9	1	0	1	100
10 - 12	4	4	0	0
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**22**	**20**	**2**	**9**
Employees and post numbers are as at 30 June				

Table 150: *Employees: Traffic Administration*

e) Capital: Traffic Services

The following table indicate the capital expenditure for this division:

Capital Expenditure 2017/18: Traffic Services					
Capital Projects	2017/18				
	R'000				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Upgrading of testing centre	50	50 000	0	50	50
Total	**50**	**50 000**	**0**	**50**	**50**

Table 151: *Capital Expenditure: Traffic Services*

3.7.2 Fire Services and Disaster Management

a) Introduction to Fire Services and Disaster Management

Fire and Disaster Management Services is a 24-hour service and we strive to serve the people of Oudtshoorn in the best way we possibly can on a daily basis. Our response time is within the prescribed guidelines of the Fire Act as well as the SANS Regulation, and we aim to serve the community as fast as possible. Currently, the manpower at the Fire Department consists of 19 fire fighters, (5 are permanent and 14 are temporary). The Disaster Management Control Room has 7 permanent staff. We manage all the municipal services from the control room on a 24/7 basis and we attend to an average of 800 calls per month successfully and efficiently.

b) Highlights: Fire Services and Disaster Management

The table below specifies the highlights for the year:

Highlights	Description
Funding for the procurement of a fire truck	Provincial Government granted R1 200 000 for the procurement of a new fire truck. The truck was procured by means of a tender process, however, the Municipality contributed an additional R300 000 of own funding
Donation of a generator for the fire station/control room	The Business Adopt a Municipality (BAAM) program in cooperation with Santam donated a fully automatic generator for the fire station/control room to the value of R60 000

Table 137 *Fire Services and Disaster Management Highlights*

c) Challenges: Fire Services and Disaster Management

The table below specifies the challenges for the year:

Challenges	Actions to overcome
Shortage of self-contained breathing apparatus (SCBA) in smoke contaminated situations	Funding application must be submitted in order to obtain SCBA
Non-functioning pumps on the Dennis Fire Truck	Request funding through the BAAM program to replace the pumps
Shortage of permanent fire fighters. The Municipality currently has only 3 permanent fire fighters with 14 contract workers, to attend to the Greater Oudtshoorn, community, including De Rust and Dysselsdorp, with 24-hour essential services	Budgetary provision must be made to fill vacant positions
Lack of essential fire fighting equipment	Funding must be secured to procure additional equipment

Table 138 *Fire Services and Disaster Management Challenges*

d) Services Delivery Levels

The table below specifies the service delivery levels for the year:

Details	2016/17	2017/18
Total fires handled in the year	614	484
Reservists and volunteers trained	0	0
Awareness Initiatives on Fire Safety	31	48

Table 139 *Services Delivery Levels for Fire Services and Disaster Management*

e) Employees: Fire Services and Disaster Management

The following table indicates the staff composition for this division:

Employees: Fire Services and Disaster Management				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	1	0	0
4 - 6	26	12	14	53
7 - 9	1	1	0	0
10 - 12	4	1	3	75
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**33**	**16**	**17**	**51**
Employees and Posts numbers are as at 30 June				

Table 121 *Employees: Fire Services and Disaster Management*

f) Capital: Fire Services and Disaster Management

The following table indicate the capital expenditure for this division:

Capital Expenditure 2017/18: Fire Services and Disaster Management					
Capital Projects	2017/18				
	R'000				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Fire truck	300	1 352	1 303	49	1 352
Total	**300**	**1 352**	**1 303**	**49**	**1 352**

Table 121 *Capital Expenditure: Fire Services and Disaster Management*

3.8 COMPONENT G: SPORT AND RECREATION

3.8.1 Parks and Recreation

Parks and Recreation is a section of the Community Services Department. It is further divided into the following sub-sections: sport, cemeteries, environmental maintenance and resorts. Currently the section is managed and supervised by an acting Manager, a superintendent of sport and recreation, superintendent of environmental management, a supervisor of cemeteries, supervisor of environmental management and a supervisor of sport and recreation. Sport and recreation serve an integral role in the community of Greater Oudtshoorn.

a) Highlights: Parks and Recreation

The table below specifies the highlights for the year:

Highlights	Description
Hosting of events	21 Events were hosted at the NA Smith Swimming Pool which included the South Western Districts (SWD) galas, Eden Aquatics and Highgate International Biathlon
Hosting of National Games	Hosting of National Games in the recreation grounds, Bridgton and De Jager Sport Complex

Parks and Recreation Highlights

b) Challenges: Parks and Recreation

The table below specifies the challenges for the year:

Description	Actions to address
Drought	Investigate alternative water resources/ recycled water and utilising water wise plant material and hard landscapes
Vandalism	The appointment of security personnel to patrol the facilities

Parks and Recreation Challenges

c) Parks and Recreation Service Statistics

Type of service	2016/17	
Community parks		
Number of parks with play park equipment	4	11
Number of wards with community parks	7	7
Swimming pools		
Number of swimming pools	4	5
Number of visitors at swimming pools	± 20 000	37 514
R-value collected from entrance fees	110 161	204 714
Sport fields		
Number of wards with sport fields	6	7
Number of sport grounds or fields	12	12
Number of events hosted	542	497

Type of service	2016/17	
Community parks		
R-value collected from utilisation of sport fields	26 445	35 676
Sport halls		
Number of wards with sport halls	1	1
Number of sport associations utilising sport halls	7	7
R-value collected from rental of sport halls	81 163	84 476
Stadiums		
Number of stadiums	3	4
Number of events hosted in stadiums	345	497

Table 122 *Service Statistics Parks and Recreation*

d) Employees: Parks and Recreation

The following table indicates the staff composition for this division:

Employees: Parks and Recreation				
Job Level	**2017/18**			
	Posts	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**%**
0 - 3	69	39	30	43
4 - 6	52	39	13	25
7 - 9	6	3	3	50
10 - 12	3	3	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**131**	**85**	**46**	**35**
Employees and post numbers are as at 30 June				

Table 123 *Employees: Parks and Recreation*

e) Capital: Sport and Recreation

The following table indicates the capital expenditure for this division:

Capital Expenditure 2017/18: Sport and Recreation					
Capital Project	**2017/18**				
	R'000				
	Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from Adjustment Budget**	**Total Project Value**
Upgrading Church Street swimming pool	80	75	78	(3)	75
Water pump	0	20	10	9	20

Capital Expenditure 2017/18: Sport and Recreation					
Capital Project	2017/18				
	R'000				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Furniture and small equipment	0	144	118	25)	144
Upgrading Bridgton chalets	0	133	49	63	133
Computer equipment	0	21	0	21	21
Industrial lawnmower	120	120	119	09	120
Swimming pool weiser	0	81	80	1	81
Furniture and small equipment	0	8	15	(-7)	15
Rehab of sports field lighting	6 403	0	0	0	6 403
Dysselsdorp sportsfield phase 2	925	877	0	877	925
Total	**7 529**	**1 482**	**469**	**964**	**7 915**

Capital Expenditure: Sport and Recreation

3.8.2 Community Halls and Buildings

This specific unit includes all the municipal buildings and facilities including community halls. We have 6 community halls that are rented out to the community of Oudtshoorn on a regular basis. This section is responsible for the cleansing and maintenance of municipal facilities, creating a friendly environment for the community members who rent our community halls and ensuring that our employees work in a clean, hygienic environment.

a) Highlights: Community Halls and Buildings

The table below specifies the highlights for the year:

Highlights	Description
Hosting of KKNK events	KKNK uses the community halls to host events during the arts festival
Hosting many youth programmes, learner initiatives, workshops, meetings, funerals, weddings and church services in our halls	Working with various government departments, youth centres and other institutions to help with creating the facilities for programmes
Accommodating events of up to 700 guests	Halls can accommodate up to 700 people and we host a variety of different events to suit various needs
New tables and chairs for the community halls	New tables and chairs were purchased for the community halls. 800 black plastic chairs, 80 steel folding tables and 60 round plastic tables have been purchased. Previously the equipment was shared amongst the halls and now there is enough equipment to host functions in each hall
All vacant positions have been filled	Permanent cleaning personnel have been appointed

Community Halls and Buildings Highlights

b) Challenges: Community Halls and Buildings

The table below specifies the challenges for the year:

Description	Actions to address
Limited budget to purchase stock and material (cleaning materials)	Funding must be made available for the purchase of stock and material (cleaning materials) or alternative budgeting methods must be investigated
Lack of maintenance due to budgetary constraints	Sufficient funds need to be made available for the most urgent needs and for some of the breakages including broken urinals that lead to health and safety risks. Planning was conducted accordingly for the upgrade of facilities
Dedicated transport for maintenance team	Applications will be made for an additional vehicle to transport the maintenance team and various materials required
Lack of artisans	Budgetary provision must be made to appoint artisan with specialised skills required to conduct maintenance

Community Halls and Buildings Challenges

c) Community Halls and Buildings Service Statistics

Type of service	2016/17	2017/18
Number of community halls	6	6
Number of events hosted	557	526

Service Statistics Community Halls and Buildings

d) Employees: Community Halls and Buildings

The following table indicates the staff composition for this division:

Employees: Community Halls and Buildings				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 – 3	37	27	10	27
4 – 6	8	6	2	25
7 – 9	7	4	7	100
10 – 12	5	1	4	80
13 – 15	1	1	0	0
16 – 18	0	0	0	0
19 – 20	0	0	0	0
Total	**58**	**39**	**19**	**32**
Employees and post numbers are as at 30 June				

Employees: Community Halls and Buildings

e) Capital: Community Halls and Buildings

The following table indicate the capital expenditure for this division:

Capital Expenditure 2017/18: Community Halls and Buildings					
Capital Projects	2017/18				
	R'000				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Office furniture -equipment	350 000	350 000	91 310	258 689	350 000
Total	**350 000**	**350 000**	**91 310**	**258 689**	**350 000**

Table 147: *Capital Expenditure: Community Halls and Buildings*

3.8.3 Cango Caves

a) Introduction to Cango Caves

Ecologically significant and impressively beautiful, the Cango Caves serve as an archaeological and historical highlight of the Klein Karoo and Garden Route.

It is a tourist attraction of many firsts and unique properties:

- It is the first to be protected by environmental legislation
- It is the first to employ a full-time tourist guide
- It is South Africa's first and oldest tourist attraction
- It is the biggest show cave system in Africa
- It offers multi-lingual guided tours
- The Cango Caves are open 364 days per year, every day except for 25 December

b) Highlights: Cango Caves

The table below specifies the highlights for the year:

Highlights	Description
Execution of the Marketing Plan	The Marketing Plan was successfully executed
The completion of roofs of both balconies - restaurant and curio shop	This project is a huge feather in our cap as these balconies stunts further water damage to the complex, and also provided much needed extra seating to our visitors
Media and Industry visits	Due to our fruitful relationship with SA Tourism (India, Germany, Holland and UK), Wesgro and various local tourism bureau, Cango Caves receives many trade and media visitors. We are very fortunate that this heritage site still attracts new interest and that we feature in the "Top 10 Things To Do" when tourists visit our country. This is also attributed to our extensive marketing plan
International Show Cave Association (ISCA)	ISCA comprises of various caves around the world. Cango Caves is deemed as the largest show cave operation in Africa. It is for this reason that we are the only African show cave that is a member and also served on the board of the organization

Table 148: *Cango Caves Highlights*

c) Challenges: Cango Caves

The table below specifies the challenges for the year:

Description	*Actions to address*
Inability to fill vacant positions.	The position of Senior Manager has been vacant since July 2015. The Operations Manager is acting in the position
Managing a tourist attraction under a municipal system	This issue is being addressed by the "Task Team" consisting of Oudtshoorn Municipality, Cango Caves and various departments at the Provincial Government. A consultant will be appointed by Province to prepare a business model for Cango Caves. The next meeting of the Task Team will be during November 2018
Lack of maintenance on complex	To initiate an extensive maintenance project on the Caves Complex would cost about R10 million. In order to accommodate maintenance expense, entrance fees will be increased (2019/20)
Decline in domestic visitors	We are working closely with our local tourism office by attending more domestic tourism exhibitions to promote the Caves and region

Table 103 *Challenges: Cango Caves*

d) Employees: Cango Caves

The following table indicates the staff composition for this division:

Employees: Cango Caves				
Job Level	**2017/18**			
	Posts	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**%**
0 - 3	8	8	0	0
4 - 6	5	5	0	0
7 - 9	2	2	0	0
10 - 12	16	13	3	18.75
13 - 15	2	1	1	50
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**33**	**29**	**4**	**12.12**
Employees and post numbers are as at 30 June				

Table 104 *Employees: Cango Caves*

e) Capital: Cango Caves

The following table indicate the capital expenditure for this division:

Capital Expenditure 2017/18: Cango Caves					
Capital Projects	2017/18				
	R'000				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Cango Caves infrastructure grant	0	1 315 789	52 043	1 263 745	1 315 789
Computer software	0	100 000	68 429	31 570	100 000
Telemetry system	50 000	0	0	0	50 000
High pressure cleaner	0	9 000	6 315	2 684	9 000
Flashlights	0	25 000	15 975	9 024	25 000
Electrical equipment	0	50 000	4 550	45 449	50 000
Total	**50 000**	**1 499 789**	**147 315**	**1 352 473**	**1 549 789**

Capital Expenditure: Cango Caves

3.9 COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.9.1 Executive and Council

a) Highlights: Executive and Council

The table below specifies the highlights for the year:

Highlights	Description
Mayco/Mancom meetings	Mayco/Mancom meetings were introduced to discuss service delivery issues in a structured manner
Portfolio committee meetings	Portfolio committee meetings were introduced
Establishment of Municipal Public Accounts Committee (MPAC)	MPAC was established and is functioning effectively

Executive and Council Highlights

b) Challenges: Executive and Council

The table below specifies the challenges for the year:

Description	Actions to address
18 Council meetings and 11 Mayco meetings were conducted. The number of Council meetings indicates that items are not being prepared timeously which leads to an increase in costs, printing of agendas and minutes, overtime for Council and committee staff	Items must be submitted and prepared in due time to avoid additional Council meetings. Deadlines must be adhered to

Executive and Council Challenges

c) Employees: Office of the MM

The following table indicates the staff composition for this division:

Employees: Office of the MM				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	1	1	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	1	1	0	0
Total	**2**	**2**	**0**	**0**
Employees and post numbers are as at 30 June				

Table 110 *Employees: Office of the MM*

Employees: Internal Audit				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	1	0	1	100
13 - 15	1	1	0	0
16 – 18	1	1	0	0
19 - 20	0	0	0	0
Total	**3**	**2**	**1**	**33**
Employees and post numbers are as at 30 June				

Table 111 *Employees: Internal Audit*

Employees: Risk Management				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0

Employees: Risk Management				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**1**	**0**	**1**	**100**
Employees and post numbers are as at 30 June				

Table 14: *Employees: Risk Management*

Employees: Dysselsdorp				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**1**	**0**	**1**	**100**
Employees and post numbers are as at 30 June				

Table 15: *Employees: Dysselsdorp*

Employees: De Rust				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 – 12	0	0	0	0
13 – 15	1	0	1	100
16 - 18	0	0	0	0

Employees: De Rust				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
19 - 20	0	0	0	0
Total	**1**	**0**	**1**	**100**
Employees and post numbers are as at 30 June				

Table 142 *Employees: De Rust*

Employees: Performance, Monitoring & Evaluation				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	5	0	5	100
10 - 12	0	0	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**6**	**1**	**5**	**83**
Employees and post numbers are as at 30 June				

Table 143 *Employees: Performance, Monitoring & Evaluation*

Employees: Political Office (Office of the Executive Mayor)				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	1	1	0	0
10 - 12	3	0	3	100
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	**1**	**1**	**0**	**0**
Total	**5**	**2**	**3**	**60**
Employees and post numbers are as at 30 June				

Table 144 *Employees: Political Office: Office of the Executive Mayor*

Employees: Political Office (Office of the Deputy Mayor)				
Job Level	2017/18			
	Posts	Employees	Vacancies (ftime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	1	1	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	**1**	**1**	**0**	**0**
Total	**2**	**2**	**0**	**0**
Employees and post numbers are as at 30 June				

Table 147 *Employees: Political Office: Office of the Deputy Mayor*

Employees: Political Office (Office of the Speaker)				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	**1**	**1**	**0**	**0**
Total	**1**	**1**	**0**	**0**
Employees and post numbers are as at 30 June				

Table 148 *Employees: Political Office: Office of the Speaker*

3.9.2 Strategic Services

a) Introduction to Strategic Services

The Department Strategic Services focus on alignment of municipal programmes and projects in the different departments in line with national and provincial key priorities. In addition, the department takes overall responsibility for management and implementation of LED, IDP, public participation, international relations, communications and town and regional planning, as well as social programs. The coordination of these functions must be developed through a long-term strategy which this department is also responsible for.

b) Highlights: Strategic Services

The table below specifies the highlights for the year:

Highlight	Description
Review of long term strategic plan	The municipal long-term strategy, Vision 2030, was successfully reviewed with all important role players
Establishment of Agri-Park and agriculture development	Facilitation of the development of a business plan to implement the project and position the municipal area as agriculture hub
Development of specific strategies integrating municipal services and future planning	Coordinated the process and established a task teams to develop a development plan for the review of the SDF
Marketing and branding of the municipal area as investment hub	Represented the Municipality as an investment hub at various platforms including the Eden District Investment Conference
Development and positioning of Cango Caves as strategic asset	The Municipality coordinated with the Department of Economic Development to provide funding for upgrades at the Cango Caves and to position the caves as a strategic asset. This included the development of a business module on the future operations of the caves
Development of Oudtshoorn Aerodrome as strategic asset	The sub-directorate coordinated a process to position the area as training hub and aerodrome related activities.

Highlights: Strategic Services

c) Challenges: Strategic Services

The table below specifies the challenges for the year:

Description	Actions to address
Lack of funding to implement projects and programs	Budgetary provision must be made and funding sourced to implement projects and programs
Limited qualified skills labor and human resources available	The current organisational structure must be reviewed to provide for qualified staff and additional resources to manage projects and programs

Challenges: Strategic Services

c) Employees: Strategic Services

The following table indicates the staff composition for this division:

Employees: Public Relations & Communication				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	2	2	0	0
10 - 12	2	2	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0

Employees: Public Relations & Communication				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
Total	5	5	0	0
Employees and post numbers are as at 30 June				

Table 149 *Employees: Public Relations & Communication*

Employees: Integrated Development Planning				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	1	1	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**2**	**2**	**0**	**0**
Employees and post numbers are as at 30 June				

Table 150 *Employees: Integrated Development Planning*

3.9.3 Financial Services

a) Introduction to Financial Services

The Financial Department is responsible for management of financial affairs of the Municipality, which includes revenue, expenditure, assets and liability management, budgeting, financial reporting and Supply Chain Management (SCM), as well as information and communication technology (ICT) management of the Municipality.

Key Performance Areas of this section include:

- Annual budgeting
- Annual financial statements and reporting
- Credit control and debt collection
- Indigent management
- SCM
- Ensure compliance to MFMA
- Develop and implement sound financial policies and procedures
- Provide ICT support
- Insurance management

- Investment management
- Expenditure management
- Maintain a GRAP compliant asset register

The Financial Services Directorate is split into five sections:

- Revenue
- Expenditure
- Budget and Treasury Office
- ICT
- SCM

b) Highlights: Financial Services

The table below specifies the highlights for the year:

Highlights	Description
Financial Recovery progress	Huge strides were made in the financial recovery process. All arrears creditors have been paid. The liquidity position has improved significantly year-on-year with all unspent grants being cash backed and surplus cash being available for operations
Debtor collection rate over 96%	The debtor collection rate has increased from 86% two years ago to exceed 96% upon the conclusion of the 2017/18 financial year. This is indicative of the effort of the revenue section to ensure that all debts due are collected
Creditors Management	Payment of all arrear debt owed to creditors have been finalized. All creditors are currently paid in accordance with the legislative requirement of 30 days from invoice
Capital spending	The performance on capital spending has improved significantly from prior financial years. All grant funding was either spent or have been committed firmly through multi-year capital appropriations
ICT	The ICT section has engaged in the replacement of essential computer and network resources. In total 110 computers have been replaced with a further rollout to be done during the course of the 2018/19 financial year. Networks have been upgraded and new file servers have been commissioned
Asset management	The municipal asset register was recompiled with special focus being a revision of infrastructure assets that include GPS referencing. A complete movable asset count was done that also included a condition assessment and photo evidence in respect of each asset

Table 177 *Financial Services Highlights*

c) Challenges: Financial Services

The table below specifies the challenges for the year:

Description	Actions to address
Regularising SCM processes	The SCM section is still in process to review all historically concluded contracts and to put in place annual and 3-year tenders for all goods and services required in operations
mSCOA Implementation	The mSCOA reform is the biggest reform impacting on municipal finance and related processes since the implementation of the MFMA. The change management processes are still underway and

Description	Actions to address
	3rd party systems still need to be appropriately seamlessly integrated. The current core financial system needs to be further and fully developed to ensure full compliance with mSCOA
Human resources	Appropriately qualified staff is difficult to attract and various recruitment processes failed to attract the appropriate candidates. Expert skills and technical ability need to be developed and enhanced internally to ensure appropriately skilled staff fills critical positions
Drought	The continued drought is starting to impact negatively on water revenue streams, reduction in consumption as a result of higher drought tariffs, as well as saving measures taking effect, are causing a decline in revenue and associated cash flow

Table 137 *Financial Services Challenges*

d) Employees: Financial Services

The following table indicates the staff composition for this division:

Employees: Office of the CFO				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	1	0	1	100
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	1	1	0	0
Total	**2**	**1**	**1**	**50**
Employees and post numbers are as at 30 June				

Table 138 *Employees: Office of the CFO*

Employees: Revenue				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	28	26	2	7.14
7 - 9	5	4	1	20
10 - 12	4	4	0	0
13 - 15	3	1	2	66
16 - 18	0	0	0	0

Employees: Revenue				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
19 - 20	0	0	0	0
Total	**40**	**35**	**5**	**12.5**
Employees and post numbers are as at 30 June				

Table 174 *Employees: Revenue*

Employees: Expenditure				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	2	2	0	0
7 - 9	7	6	1	14.28
10 - 12	2	1	1	50
13 - 15	2	2	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**13**	**11**	**2**	**15.38**
Employees and post numbers are as at 30 June				

Table 175 *Employees: Expenditure*

Employees: Financial Accounting				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	1	1	0	0
7 - 9	2	2	0	0
10 - 12	1	1	0	0
13 - 15	3	1	2	66
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**8**	**6**	**2**	**25**
Employees and post numbers are as at 30 June				

Table 176 *Employees: Financial Accounting*

Employees: Supply Chain Management				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	5	4	1	20
7 - 9	5	2	3	60
10 - 12	3	2	1	33
13 - 15	0	0	0	0
16 - 18	1	1	0	0
19 - 20	0	0	0	0
Total	**14**	**9**	**5**	**35**
Employees and post numbers are as at 30 June				

Table 177 *Employees: Supply Chain Management*

3.9.4 Human Resource Services

a) Introduction to Human Resource Services

The primary objective of Human Resource Services is to render an innovative service that adheres to all legislative and related policies in order to addresses both skills development and all other related administrative functions.

b) Highlights: Human Resource Services

The table below specifies the highlights for the year:

Highlights	Description
Induction of new employees every 2 – 3 months	Implementation of a well-structured induction programme for all newly appointed employees
SAGE Premier Human Resource (HR) system	Cleansing and updating of the SAGE Premier HR system
Training and development (Internships)	The Internship programme was conducted and funded with own funding
Certificate Ceremony	The Oudtshoorn Municipality had a certificate ceremony earlier this year for the employees who achieved competence in various training programmes. It was a huge milestone and accomplishment for the employees to be awarded formally with an event
Establishment of the employee wellness structure	Two employees were appointed and the Employee Wellness Committee was approved and established and is currently functioning well
Achieving the Employee Wellness set objectives for the year	• Develop and review of employee wellness related policies • Proper need assessment was done by means of assessment forms and a roadshow • Need based documents were created and approved • Our focus on the 7 dimensions of wellness was well communicated to all staff • Various wellness activities (Cansa Relay/Walking group/Better together games) and engagements with internal departments were done • Various engagements with external role-players were made

Highlights	Description
	• Counselling services, bereavement, debriefing and other intervention sessions were made • Internal and external referrals were made (One official referred to Rehabilitation Centre) • Visibility of the Employee Wellness Office
Employee Wellness day attended by all municipal personnel	Successful wellness day with the following activities as part of the program: • Keynote speakers from various governmental departments & NGO's highlights the 7 dimensions of wellness • Introduction of the Employee Wellness Committee • Indoor and outdoor sport activities • Potjiekos competition

Table 132 *Human Resource Services Highlights*

c) Challenges: Human Resource Services

The table below specifies the challenges for the year:

Description	Actions to address
Lack of proper communication	Conduct communication training and familiarise relevant stakeholders with policies
Low morale of the personnel	Conducting various need based programmes

Table 133 *Human Resource Services Challenges*

d) Employees: Corporate Services

The following table indicates the staff composition for this division:

Employees: Office of the Director Corporate Services				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	1	1	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	**1**	**1**	**0**	**0**
Total	**2**	**2**	**0**	**0**
Employees and post numbers are as at 30 June				

Table 134 *Employees: Office of the Director Corporate Services*

Employees: Administration & Archives				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	5	4	1	20
7 - 9	2	2	0	0
10 - 12	2	1	1	50
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**10**	**8**	**2**	**20**
Employees and post numbers are as at 30 June				

Employees: Administration & Archives

Employees: Human Resources				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	3	3	0	0
7 - 9	4	4	0	0
10 - 12	5	5	0	0
13 - 15	3	3	0	0
16 - 18	1	0	1	100
19 - 20	0	0	0	0
Total	**16**	**15**	**1**	**6.25**
Employees and post numbers are as at 30 June				

Employees: Human Resources

Employees: Council Support				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	3	2	1	33
7 - 9	1	1	0	0
10 - 12	1	1	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**6**	**4**	**2**	**33**
Employees and post numbers are as at 30 June				

Employees: Council Support

3.9.5 Information and Communication Technology (ICT) Services

a) Introduction to ICT Services

This section forms part of the Finance Directorate and manage, install, repair and support all aspects of information and communication technology in the Municipality. This include computer hardware and software, network infrastructure and wireless communication. Currently the section has six staff members to deliver the services. We manage high sites, wireless clients (remote offices), desktops, laptops, printers and Voice Over Internet Protocol (VOIP) communications. There are 300 active network users. Software systems in use are the financial system, correspondence and customer care, email and internet access, pre-paid vending, library functions, payroll, human resources, building control, cemetery management, geographical informations system and hosting of the Municipality's website.

b) Highlights: ICT Services

The highlights for the year under review were as follows:

Highlights	Description
Full failover and Disaster Recovery Site (DRS)	Established a disaster recovery site for offsite backups of data and replication services to comply with the ICT Governance Policy
New appointed Geographic Information System (GIS) Technologist	The section's staff count increased to 6 members from July 2018 and includes a fulltime GIS Technologist
ICT Replacement Policy	The ICT Replacement Policy was compiled and implemented

Highlights: ICT Services

c) Challenges: ICT Services

Challenges that are experienced include the following:

Description	Actions to address
Slow data transfers and poor telephone communication	Upgrade wireless infrastructure and install new high site equipment
Link GIS and assets	Develop the GIS system and link the assets to comply with audit finding and new mSCOA implementation
Integration of systems	Integrate various sub-systems to comply with mSCOA

Table [illegible] *Challenges: ICT Services*

d) Service Delivery Levels

Details	2016/17	2017/18
Provide ICT support to all municipal departments by attending to requests within 4 working days	96%	98%
Total number of support requests and enquiries	1 234	2 132
Total number of support requests and enquiries solved within 4 days	1 203	2 129

Table [illegible] *Service Data for ICT Services*

e) Employees: ICT Services

The following table indicates the staff composition for this division:

Employees: ICT Services				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	1	0	1	100
7 - 9	0	0	0	0
10 - 12	4	2	2	50
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**14**	**9**	**5**	**35**
Employees and post numbers are as at 30 June				

Table [illegible] *Employees: ICT Services*

f) Capital: ICT Services

The following table indicate the capital expenditure for this division:

Capital Expenditure 2017/18: ICT Services					
Capital Projects	2017/18				
	R'000				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Office furniture/ equipment	0	100 000	130 519	(30 519)	100 000
Computer and software	1 500 000	2 650 000	2 631 770	18 229	2 650 000
Total	**1 500 000**	**2 750 000**	**2 762 289**	**(12 289)**	**2 750 000**

Capital Expenditure: ICT Services

3.9.6 Legal Services

a) Introduction to Legal Services

The legal section currently comprises of the Legal Manager, as well as a temporary professional assistant. The section offers *inter alia* the following legal services:

1) Provides effective legal support to various departments, Council and committees
2) Liaise with outside attorneys and advocates
3) The office also liaises with insurance
4) Conducts research and co-ordinates all legal projects of the Municipality
5) Responsible for all civil litigation against the Council
6) Deals and handles policies and by-laws
7) Responds to all applications made by members of the public in terms of Promotion of Access to Information Act (PAIA)

b) Highlights: Legal Services

The highlights for the year under review were as follows:

Highlights	Description
Council, Portfolio Committee and MAYCO items submitted on time	Legal Services has been able to efficiently and effectively provide legal support to Council as well as various departments when requested to do so
Performance	Legal inputs submitted within the stipulated 5 days turnaround timeframe.
Draft a Liquor By-law	Draft Liquor By-law submitted to Council and public inputs obtained from the community
Assisted in the drafting of the SWD lease agreement	A 3-year lease agreement is in place

Highlights: Legal Services

c) Challenges: Legal Services

Challenges that are experienced includes the following:

Description	Actions to address
Lack of office equipment	Budgetary provision must be made to further capacitate the office
Inadequate office space	Find suitable office space, because Legal Services deal with highly confidential information
Unfunded administrative assistant post	Budgetary provision must be made to fund the administrative assistant post

Table 197: *Challenges: Legal Services*

d) Service Delivery Levels

Details	2016/17	2017/18
Attending to requests for information applications made by members of the public is a form of service delivery	Yes	Yes

Table 198: *Service Delivery Levels*

e) Employees: Contracts & Legal Services

The following table indicates the staff composition for this division:

Employees: Contracts & Legal Services				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	2	2	0	0
13 - 15	0	0	0	0
16 - 18	1	1	0	0
19 - 20	0	0	0	0
Total	**3**	**3**	**0**	**0**
Employees and post numbers are as at 30 June				

Table 199: *Employees: Contracts and Legal Services*

3.9.7 Procurement Services

a) Introduction to Procurement Services

In this 2017/18 financial summary overview the following will be highlighted;

- Actions considered as important highlights and positive contributions to SCM Unit and the service delivery initiatives amongst others for the year ended
- Areas considered still posing a challenge in executing the SCM duties efficiently
- Provision of statical information regarding procurement processes and deviations for the 2017/18 financial year end

b) Highlights: Procurement Services

The table below specifies the highlights for the year:

Highlights	Description
Appointment of SCM Staff	Appointment of 2 Senior SCM Practitioners (Logistics Officer and Acquisition Officer)
Appointment of local contractors on a labour only tender	SCM 60/2017: Labour only tender for the appointment of Civil Contractors on Minor Civil Works in De Rust for 3 years
Successful appointment of a contractor for Dysselsdorp WWTW	SCM 65/2017: Refurbishment Dysselsdorp of WWTW and irrigation pump system
Successful appointment of a contractor for Bulk Water Supply Pipeline	SCM 01/2018: Water Connection Between KKRWSS and Asla Reservoir, De Rust

Table 197 *Procurement Services Highlights*

c) Challenges: Procurement Services

The table below specifies the challenges for the year:

Description	Actions to address
Bid committees training required	Conduct training for Bid committee members
Shortage of SCM Staff	Advertise and fill vacant positions
Local Content Sector Items	Department of Trade and Industry (DTI) to conduct a non-standard LCP training
Haphazard procurement requests	The correct procurement process plan should be enforced and followed

Table 198 *Procurement Services Challenges*

d) Service Statistics for Procurement Services

The table below specifies the service statistics for the year:

Description	Total	Monthly Average	Daily Average
Requests processed	7 265	605.42	19.90
Orders processed	7 265	605.42	19.90
Requests cancelled or referred back	812	67.67	2.23

Description	Total	Monthly Average	Daily Average
Extensions	5	0.42	0.01
Bids received (number of documents)	308	25.67	0.84
Bids awarded	57	4.75	0.16
Bids awarded ≤ R200 000	30	2.5	0.08
Appeals registered	24	2	0.07
Successful appeals	0	0	0

Table 19: *Service Statistics for Procurement Division*

e) Details of Deviations for Procurement Services

Type of deviation	Value of deviations (R)	Percentage of total deviations value (%)	Value of deviations (R)	Percentage of total deviations value (%)
	2016/17		2017/18	
Clause 36(1)(a)(i)- Emergency	1 016 069	16.6	12 776 447	79.32
Clause 36(1)(a)(ii)- Sole Supplier	689 254	11.2	115 492	0.72
Clause 36(1)(a)(v)- Impractical / impossible	4 432 046	72.2	3 214 645	19.96

Table 20: *Statistics of Deviations from the SCM Policy*

3.10 COMPONENT I: SERVICE DELIVERY PRIORITIES FOR 2018/19

The main development and service delivery priorities for 2018/19 forms part of the Municipality's Top Layer SDBIP for 2018/19 and are indicated in the table below as per strategic objective:

3.10.1 An ethical and transparent local government that is responsive to the needs of the community and encourage public participation

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL3	Review the Ward Committee Policy and submit to Council by 31 May 2019	Ward Committee Policy reviewed and submitted to Council	All	1
TL5	Submit the Fraud Prevention Plan to Council for approval by 30 June 2019	Fraud Prevention Plan submitted to Council	All	1
TL20	Limit unaccounted for electricity to less than 13% by 30 June 2019 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) ï¿½ 100}	% unaccounted electricity by 30 June	All	13%
TL23	95% water quality level obtained in terms of e-coli tests conducted	% water quality level	All	95%

Table 197: *An ethical and transparent local government that is responsive to the needs of the community and encourage public participation*

3.10.2 To achieve financial sustainability and strengthen municipal transformation and development

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL1	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan during the 2018/19 financial year	Number of people employed in the three highest levels of management	All	1
TL2	Spend 0.5% of the municipality's personnel budget on implementing its workplace skills plan by 30 June 2019 [(Actual amount spent on training/total personnel budget)x100]	% of the budget spent	All	0.50%
TL4	The percentage of the municipal capital budget spent on projects as at 30 June 2019 {(Actual amount spent on capital projects /Total amount budgeted for capital projects)X100}	% the capital budget spent on capital projects as at 30 June 2019	All	85%
TL11	Provide subsidies for free basic water to indigent households as at 30 June 2019	Number of indigent households receiving subsidies for free basic water as per PROMUN financial system as at 30 June	All	5 150
TL12	Provide subsidies for free basic electricity to indigent households (including ESKOM supply area) as at 30 June 2019	Number of indigent households receiving subsidies for free basic electricity as per PROMUN financial system as at 30 June	All	4 800
TL13	Provide subsidies for free basic sanitation to indigent households as at 30 June 2019	Number of indigent households receiving subsidies for free basic sanitation as per PROMUN financial system as at 30 June	All	5 100

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL14	Provide subsidies for free basic refuse removal to indigent households as at 30 June 2019	Number of indigent households receiving subsidies for free basic refuse removal as per PROMUN financial system as at 30 June	All	5 100
TL15	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2019 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant))	% of debt coverage	All	21
TL16	Financial viability measured in terms of the outstanding service debtors as at 30 June 2019 ((Total outstanding service debtors/ revenue received for services)X100)	% of outstanding service debtors (total outstanding debtors refers to total net debtors)	All	15%
TL17	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2019 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash	All	0.75
TL18	Achieve a debtor payment percentage of 96% as at 30 June 2019 {(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100}	% debtor payment achieved	All	96%
TL19	Provide refuse services to residential properties for which refuse is removed and billed for the service as at 30 June 2019	Number of residential properties which are billed for refuse removal as per the PROMUN financial system as at 30 June	All	13 750
TL25	Provide piped water to residential properties which are connected to the municipal water infrastructure network and billed for the service as at 30 June 2019	Number of residential properties that receive piped water as per the FMS as at 30 June	All	13 750
TL26	Provide electricity to residential properties connected to the municipal electrical infrastructure network and billed for the service as well as prepaid electrical metering as at 30 June 2019	Number of residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) as per the FMS as at 30 June	All	13 750
TL27	Provide sanitation services to residential properties which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets) as at 30 June 2019	Number of residential properties which are billed for sewerage in accordance with the financial system as at 30 June	All	13 750

To achieve financial sustainability and strengthen municipal transformation and development

3.10.3 To create sustainable integrated human settlements and safe neighbourhoods where communities can prosper

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL6	Construct 332 top structure in Rosevalley by 30 June 2019	Number of top structures constructed	6	332
TL7	Upgrade 100 sites in Dysselsdorp by 30 June 2019	Number of sites upgraded	9; 10	100
TL8	Build 32 BNG houses in Bongolethu/Bridgton (site and top structure) by 30 June 2019	Number of BNG houses built	4; 8	32
TL9	Replace mud houses (3 sites, 6 top structures) in Bongolethu by 30 June 2019	Number of mud houses replaced	4; 8	9
TL10	Upgrade 30 houses in Bongolethu by 30 June 2019	Number of houses upgraded	4; 8	30

Table 197 *To create sustainable integrated human settlements and safe neighbourhoods where communities can prosper*

3.10.4 To promote social, rural and spatial economic development

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL21	Construct 0.5 km of new roads (upgrade surface standard) by 30 June 2019	KM's of new roads constructed	All	0.5
TL22	Limit unaccounted for water to less than 25% by 30 June 2019 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (incl free basic water) / Number of Kilolitres Water Purchased or Purified ï¿½ 100}	% unaccounted water	All	25%
TL24	Create temporary jobs - FTE's in terms of EPWP by 30 June 2019 (Person days / FTE (230 days))	Number of FTE's created by 30 June 2019	All	65

Table 198 *To promote social, rural and spatial economic development*

3.10.5 To provide basic services to all residents in an environmentally sustainable manner

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL28	Conduct a study regarding roads that require urgent repair and submit a report to Council by 31 May 2019	Study conducted and report submitted to Council	All	1

Table 199 *To provide basic services to all residents in an environmentally sustainable manner*

CHAPTER 4

4.1 National Key Performance Indicators – Municipal Transformation and Organisational Development

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area – Municipal Transformation and Organisational Development.

KPA and Indicators	2016/17	2017/18
The number of people from **employment equity** target groups employed in the three highest levels of management in compliance with a Municipality's approved employment equity plan	10	21
The percentage of a Municipality's budget actually spent on implementing its workplace skills plan	0.27%	0.44%

National KPIs– Municipal Transformation and Organisational Development

4.2 Introduction to the Municipal Workforce

The Municipality currently employs **677** (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.2.1 Employment Equity

The Employment Equity Act (1998) Chapter 3, Section 15(1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a Municipality's approved employment equity plan".

a) Employment Equity vs. Population

The table below indicates the employment equity vs. population:

African			Coloured			Indian			White		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
347.82	153	43.98%	726.04	438	60.33%	20.46	1	5%	163.68	81	49.49%

2017/18 EE Targets/Actual by Racial Classification

Male			Female			Disability		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
501.27	465	92.76%	859.32	208	24.21%	20.46	2	9.78%

2017/18 EE Targets/Actual by Gender Classification

Description	African	Coloured	Indian	White	Total
Number for positions filled for the 2017/18 financial year	45	126	0	6	177
% for Positions filled	**25.42%**	**71.18%**	**0%**	**3.38%**	**99.98%**

EE Population 2017/18

b) Specific Occupational Levels - Race

The table below categorise the number of employees by race within the occupational levels:

Occupational	Male				Female				Total
Levels	A	C	I	W	A	C	I	W	
Top Management	0	3	0	2	0	0	0	0	5
Senior management	1	1	0	2	0	0	1	0	5
Professionally qualified and experienced specialists and mid- management	1	12	0	6	3	2	0	0	24
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	13	43	0	19	9	20	0	3	107
Semi-skilled and discretionary decision making	42	122	0	18	18	65	1	9	275
Unskilled and defined decision making	44	117	0	15	25	54	0	6	261
Total permanent	**101**	**298**	**0**	**62**	**55**	**141**	**1**	**19**	**677**

Occupational Levels

c) Departments - Race

The following table categorise the number of employees by race within the different departments:

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Municipal Manager	2	13	0	4	2	13	0	0	34
Corporate Services	5	12	0	1	3	11	0	0	32
Financial Services	6	14	0	12	5	24	1	6	68
Strategic & Social Development	5	11	0	1	4	5	0	2	28
Engineering Services	46	117	0	36	14	23	0	1	237
Community Services	35	130	0	8	24	64	0	10	271
Human Settlements	2	1	0	0	3	1	0	0	7
Total permanent	**101**	**298**	**0**	**62**	**55**	**141**	**1**	**19**	**677**

Table XX *Department – Race*

d) Trade Union Membership

The following table provides information on the trade union membership of the employees of the Municipality:

Union	Number of members	% of Total Compliment	Number of members	% of Total Compliment
	2016/17		2017/18	
Samwu	199	22%	217	19%
IMATU	356	39%	598	54%
MATUSA	152	16%	185	17%
Non-members	211	23%	113	10%
Double membership	0	0	0	0
Total	**918**	**100%**	**1 113**	**100%**

Table XX *Trade Union Membership*

4.2.2 Vacancy Rate

The approved organogram for the municipality had 1 240 posts for the 2017/18 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. 555 posts were vacant at the end of 2017/18, resulting in a vacancy rate of 44.75%.

Below is a table that indicates the vacancies (as per organogram) within the Municipality:

Per Post Level		
Level	**Filled**	**Vacant**
MM & MSA Section 57 & 56	5	2
Middle management	5	3
Professionals	24	24

Per Post Level		
Level	**Filled**	**Vacant**
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	107	51
Unskilled and defined decision making	275	130
Semi-skilled and defined decision making	261	139
Non- permanent employees	11	206
Total	**688**	**555**
Per Functional Level		
Functional area	**Filled**	**Vacant**
Office of the Municipal Manager	34	13
Corporate Services	32	6
Financial Services	68	20
Strategic & Social Development	28	9
Engineering Services	237	134
Community Services	271	133
Human Settlements	7	34
Non- permanent employees	11	206
Total	**688**	**555**

[illegible] *Vacancy Rate per Post and Functional Level*

4.2.3 Staff Turnover Rate

A high staff turnover may be costly to a Municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the staff turnover rate within the Municipality. The staff turnover rate shows a decrease from 7.23% in 2016/17 to 4.18% in 2017/18.

The table below indicates the staff turnover rate over the last two years:

Financial year	Total no appointments at the end of each Financial Year	New appointments	No Terminations during the year	Staff Turnover Rate
2016/17	48	18	40	7.23%
2017/18	177	177	27	4.18%

[illegible] *Turnover Rate*

4.3 Managing the Municipal Workforce

Managing the municipal workforce refers to analyzing and coordinating employee behavior.

4.3.1 Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a Municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows a decrease from 136 employees injured in the 2016/17 financial year against 131 employees in the 2017/18 financial year.

The table below indicates the total number of injuries within the different directorates:

Directorates	2016/17	2017/18
Office of the Municipal Manager	1	2
Corporate Services	5	2
Financial Services	4	6
Strategic & Social Development	0	0
Community Services	83	70
Engineering Services	43	51
Human Settlements	0	0
Total	**136**	**131**

Table 211 Injuries

The table below indicates the incidence frequency rate for 2017/18:

Description	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Accumulative injury rate	6	9	16	22	17	4	8	17	14	6	10	2
Vehicle related incidents	1	0	0	0	2	0	1	2	0	1	0	0

Table 212 Incidence Frequency Rate

4.3.2 Sick Leave

The number of sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of employees that have taken sick leave during the 2017/18 financial year shows a decrease when compared with the 2016/17 financial year. The new 3-year sick leave cycle started on 1 January 2016.

The table below indicates the total number of sick leave days taken within the different directorates:

Department	2016/17	2017/18		
		Sick Leave	Unpaid Leave	Total
Office of the Municipal Manager	462.48	475	0	475
Corporate Services	988.02	770.37	0	770.37
Financial Services	1 436.38	972	0	972
Community Services	2 370.7	2 863.09	173	3 036.09
Technical Services	4 926.33	2397	101	2498
Strategic and Social Services	414.02	354	0	354
Total	**10 597.93**	**7 831.46**	**274**	**8 105.46**

Table 211: *Sick Leave*

4.3.3 Disciplinary Measures

a) Disciplinary Cases per Directorate

Directorate	Number of cases	
	2016/17	2017/18
Office of the Municipal Manager	1	1
Corporate Services	4	1
Financial Services	2	2
Community Services	11	11
Technical Services	12	10
Total	**30**	**25**

Table 212: *Disciplinary Cases Per Directorate*

b) Outcome of Disciplinary Steps

Type of outcome	Number	
	2016/17	2017/18
Counselling	2	1
Final warning	0	2
Written warning	1	11
Not guilty	9	0
Dismissal	1	4
Withdrawn (During hearing)	1	3 (resignations) 2 withdrawn
10 Days with suspension	1	0
5 Days with suspension	0	0
Pending	11	2
Suspensions	4	0

Table 213: *Outcome of Disciplinary Steps*

c) Category of Disciplinary Offences per Charge

Category	Number	
	2016/17	2017/18
Absenteeism	6	7
Alcohol/drugs	2	6
Intimidation	0	0
Poor work performance	0	0
Dishonesty	5	5
Negligence	0	2
Poor conduct	9	3
Insubordination	8	2
Total	**30**	**25**

Table 217 *Category of Disciplinary Offences per Charge*

4.4 Capacitating the Municipal Workforce

Section 68(1) of the MSA states that the Municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a Municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998) and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

4.4.1 Skills Matrix

The table below indicates the number of employees that received training (skills programs, short courses, etc.) in the year under review:

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
MM and S57	Female	0	0
	Male	0	0
Legislators, senior officials and managers	Female	2	2
	Male	2	1
Associate professionals and Technicians	Female	4	1
	Male	5	2
Professionals	Female	5	2
	Male	5	3
Clerks	Female	10	16
	Male	10	7
Service and sales workers	Female	10	6
	Male	10	7
Craft and related trade workers	Female	5	0

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
	Male	5	6
Plant and machine operators and assemblers	Female	0	0
	Male	0	0
Elementary occupations	Female	5	6
	Male	10	7
Sub total	**Female**	**41**	**27**
	Male	**47**	**39**
Total		**88**	**66**

Table 217 *Skills Matrix*

4.4.2 Training Interventions

The table below indicates the type of training interventions that was provided for employees trained:

Training intervention	Female				Male				Total
	A	C	I	W	A	C	I	W	
Leadership and Development	4	3	0	0	2	3	0	0	12
Minimum Competency	1	4	0	1	2	7	0	1	16
Local Government accounting	1	4	0	0	1	2	0	0	8
Water & Waste Water NQF 2	0	0	0	0	2	2	0	1	5
NC: IDP	3	0	0	0	1	0	0	0	4
OD ETDP	1	4	0	0	0	2	0	0	7
Road Construction NQF 2	0	3	0	0	1	1	0	0	5
Road Construction NQF 3	0	0	0	0	0	2	0	0	2
Registry Clerk course	0	4	0	0	0	3	0	0	7
Total	**10**	**22**	**0**	**1**	**9**	**22**	**0**	**2**	**66**

Table 218 *Training Interventions*

4.4.3 Skills Development – Training Provided

The Skills Development Act (1998) and the MSA, require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff.

Occupational categories	Gender	Training provided within the reporting period					
		Learnerships		Skills programmes & other short courses		Total	
		Actual	Target	Actual	Target	Actual	Target
MM and S57	Female	0	0	0	0	0	0
	Male	0	0	0	0	0	0
	Female	2	2	0	0	2	2

Occupational categories	Gender	Training provided within the reporting period					
		Learnerships		Skills programmes & other short courses		Total	
		Actual	Target	Actual	Target	Actual	Target
Legislators, senior officials and managers	Male	1	2	0	0	0	0
Professionals	Female	2	3	0	2	2	5
	Male	3	5	0	0	3	5
Technicians and associate professionals	Female	1	3	0	1	1	4
	Male	2	2	0	3	2	5
Clerks	Female	6	6	10	4	16	10
	Male	3	6	4	4	7	10
Service and sales workers	Female	6	10	0	0	6	10
	Male	7	10	0	0	7	10
Craft and related trade workers	Female	0	5	0	0	0	5
	Male	6	5	0	0	6	5
Plant and machine operators and assemblers	Female	0	0	0	0	0	0
	Male	0	0	0	0	0	0
Elementary occupations	Female	6	5	0	0	6	5
	Male	7	10	0	0	7	10
Sub total	**Female**	**23**	**34**	**10**	**7**	**33**	**41**
	Male	**29**	**40**	**4**	**7**	**33**	**47**
Total		**66**	**80**	**11**	**14**	**66**	**88**

Table 218 *Skills Development*

4.4.4 Skills Development - Budget Allocation

The table below indicates that a total amount of R1 140 000 were allocated to the workplace skills plan and that 88.8% of the total amount was spent in the 2017/18 financial year:

Year	Total personnel budget	Total Allocated	Total Spend	% Spent
2016/17	204 087 008	724 600	503 044	69%
2017/18	231 483 409	1 140 000	1 012 165.14	88.8%

Table 219 *Budget Allocated and Spent for Skills Development*

4.4.5 Municipal Minimum Competency Course Status

In terms of Section 83(1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a Municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No Municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 as per Government Notice No. 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

The MMC -training course consists of 15 modules for most candidates and the status of the progress a is as follows:

Description	Total number of officials employed by Municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials				
Accounting officer	1	1	1	1
Chief financial officer	1	1	1	1
Senior managers	3	3	3	3
Any other financial officials	67	0	0	12
Supply Chain Management Officials				
Heads of supply chain management units	1	0	0	1
Supply chain management senior managers	0	0	0	0
Total	**73**	**5**	**5**	**18**

Table 221 *MMC Course Status*

4.5 Managing the Municipal Workforce Expenditure

Section 66 of the MSA states that the Accounting Officer of a Municipality must report to the Council on all expenditure incurred by the Municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as the Budget and Reporting Schedules SA22 and SA23.

4.5.1 Personnel Expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years and that the Municipality is well within the national norm of between 35 to 40%:

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000	R'000	
2016/17	199 374	483 023	41.2%
2017/18	241 755	611 773	39.5%

Personnel Expenditure

Below is a summary of Councillor and staff benefits for the year under review:

Financial year	2016/17	2017/18		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Councillors (Political Office Bearers plus Other)				
Salary	6 062	6 590	6 355	6 381
Pension Contributions	434	751	664	635
Medical Aid Contributions	115	107	130	123
Motor vehicle allowance	2 061	2 171	2 099	2 079
Cell phone allowance	736	581	1 023	983
Housing allowance	0	0	0	0
Other benefits or allowances	76	0	0	0
In-kind benefits	0	0	0	0
Sub Total	**9 484**	**10 200**	**10 272**	**10 202**
% increase/ decrease	**-**	**7.55**	**0.71**	**-0.68**
Senior Managers of the Municipality				
Salary	3 043	7 783	5 458	5 478
Pension and UIF Contributions	304	161	919	456
Medical Aid Contributions	0	83	229	131
Motor vehicle allowance	488	1 241	850	557
Cell phone allowance	137	472	407	297
Housing allowance	0	271	12	8
Performance Bonus	0	0	0	0
Other benefits or allowances	327	0	1 702	26
In-kind benefits	0	0	0	0
Sub Total	**4 299**	**10 011**	**9 837**	**6 952**
% increase/ decrease	**-**	**132.87**	**-1.74**	**-29.33**
Other Municipal Staff				

Financial year	2016/17	2017/18		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Basic Salaries and Wages	107 287	124 149	136 111	120 552
Pension Contributions	18 673	24 237	23 503	24 022
Medical Aid Contributions	10 588	18 486	13 121	11 488
Motor vehicle allowance	3 239	3 707	3 658	3 732
Cell phone allowance	477	371	720	678
Housing allowance	1 636	1 363	1 492	1 405
Overtime	10 766	4 630	9 303	9 512
Other benefits or allowances	0	0	18 850	0
Sub Total	**185 591**	**204 333**	**221 647**	**184 307**
% increase/ decrease	**-**	**10.10**	**8.47**	**-16.85**
Total Municipality	**199 374**	**224 543**	**241 755**	**201 462**
% increase/ decrease	**-**	**12.62**	**7.67**	**-16.67**

Personnel Expenditure

CHAPTER 5

This chapter provides details regarding the financial performance of the municipality for the 2017/18 financial year.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of Financial Performance provides an overview of the financial performance of the Municipality and focuses on the financial health of the Municipality.

5.1 Financial Summary

The table below indicates the summary of the financial performance for the 2017/18 financial year:

Financial Summary						
R'000						
Description	2016/17	2017/18			2017/18 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Financial Performance						
Property rates	70 958	83 694	81 091	81 990	-2.08	1.10
Service charges	315 786	361 771	332 254	326 459	-10.82	-1.78
Investment revenue	3 308	2 757	4 536	5 586	50.65	18.79
Transfers recognised – operational	74 589	108 062	123 985	113 150	4.50	-9.58
Other own revenue	64 277	60 961	39 821	49 894	-22.18	20.19
Total Revenue (excluding capital transfers and contributions)	**528 917**	**617 245**	**581 687**	**577 079**	**-6.96**	**-0.80**
Employee costs	186 515	214 344	231 483	215 633	0.60	-7.35
Remuneration of councillors	9 484	10 591	10 272	10 022	-5.67	-2.49
Depreciation & asset impairment	35 095	24 491	24 822	40 643	39.74	38.93
Finance charges	14 675	6 929	17 095	12 399	44.12	-37.88
Materials and bulk purchases	146 709	155 080	175 799	147 637	-5.04	-19.07
Transfers & grants	3 022	850	1 200	2 697	68.49	55.51
Other expenditure	92 843	250 784	151 101	143 476	-74.79	-5.32
Total Expenditure	**488 342**	**663 069**	**611 773**	**572 507**	**-15.82**	**-6.86**
Surplus/(Deficit)	**40 576**	**(45 824)**	**(30 086)**	**4 572**	**1102.29**	**758.07**
Transfers recognised - capital	36 816	35 062	61 517	53 737	34.75	-14.48
Contributed/Donated PPE	76	0	0	253	100.00	100.00
Surplus/(Deficit) after capital transfers & contributions	**77 468**	**(10 762)**	**31 431**	**58 563**	**118.38**	**46.33**
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	35 434	29 887	56 177	53 737	44.38	-4.54

Financial Summary						
R'000						
Description	2016/17	2017/18			2017/18 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Public contributions & donations	0	0	0	0	0	0!
Borrowing	0	0	0	0	0	0!
Internally generated funds	15 564	7 349	11 528	4 120	-78.37	-179.79
Total sources of capital funds	**50 998**	**37 236**	**67 705**	**58 052**	**35.86**	**-16.63**
Financial position						
Total current assets	84 395	67 015	76 089	122 965	45.50	38.12
Total non-current assets	847 426	751 007	801 679	864 434	13.12	7.26
Total current liabilities	111 101	95 355	105 200	115 388	17.36	8.83
Total non-current liabilities	225 978	216 263	221 863	218 707	1.12	-1.44
Community wealth/Equity	594 741	506 404	550 705	653 304	22.49	15.70
Cash flows						
Net cash from (used) operating	91 050	45 318	53 177	132 364	65.76	59.83
Net cash from (used) investing	(34 470)	(37 236)	(66 243)	(56 426)	34.01	-17.40
Net cash from (used) financing	(48 365)	(10 101)	(19 532)	(32 825)	69.23	40.50
Cash/cash equivalents at the year end	**8 215**	**(2 018)**	**(32 598)**	**43 113**	**104.68**	**175.61**
Cash backing/surplus reconciliation						
Cash and investments available	27 894	27 906	40 218	71 007	60.70	43.36
Application of cash & investments	27 894	27 906	40 218	71 007	60.70	43.36
Balance - surplus (shortfall)	**55 788**	**55 812**	**80 437**	**142 015**	**60.70**	**43.36**
Asset management						
Asset register summary (WDV)	858 010	750 876	801 679	840 367	10.65	4.60
Depreciation & asset impairment	35 095	24 491	24 822	40 643	39.74	38.93
Renewal of Existing Assets	32 407	29 887	14 344	14 344	-108.36	0.00
Repairs and Maintenance	16 270	17 042	18 286	15 922	-7.03	-14.85
Free services						
Cost of Free Basic Services provided	27 604	30 604	27 604	27 604	-10.87	0.00
Revenue cost of free services provided	27 604	37 837	34 337	34 337	-10.19	0.00
Households below minimum service level						
Water:	350	351	352	353	0.57	0.28
Sanitation/sewerage:	1 867	1 868	1 869	1 870	0.11	0.05
Energy:	2 301	2 302	2 303	2 304	0.09	0.04
Refuse:	2 954	2 955	2 956	2 957	0.07	0.03
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR Table A1						

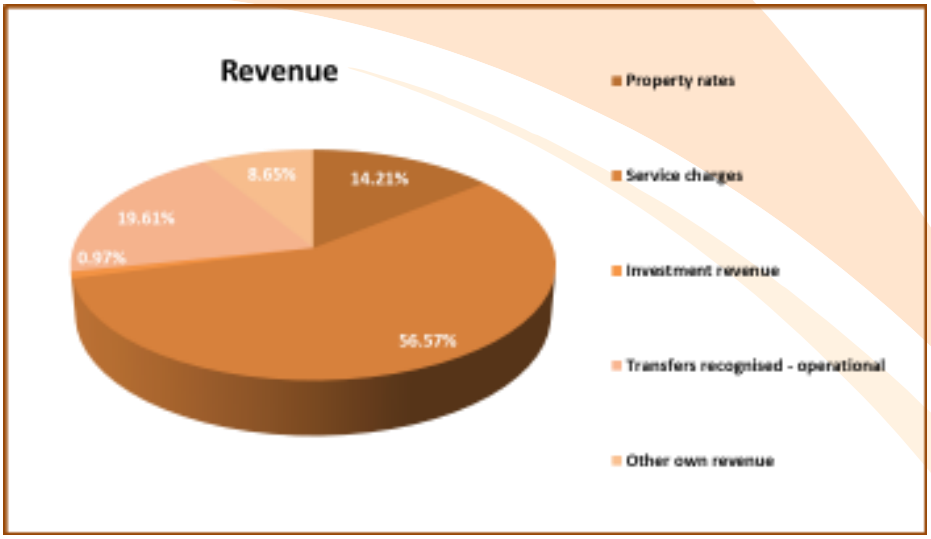
[illegible] *Financial Performance 2017/18*

The table below shows a summary of performance against budgets:

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Difference	%	Budget	Actual	Diff.	%
	R'000	R'000	R'000		R'000	R'000	R'000	
2016/17	540 464	565 810	25 346	5	519 410	488 342	31 068	6
2017/18	581 687	631 070	49 383	8	611 773	572 507	39 266	6

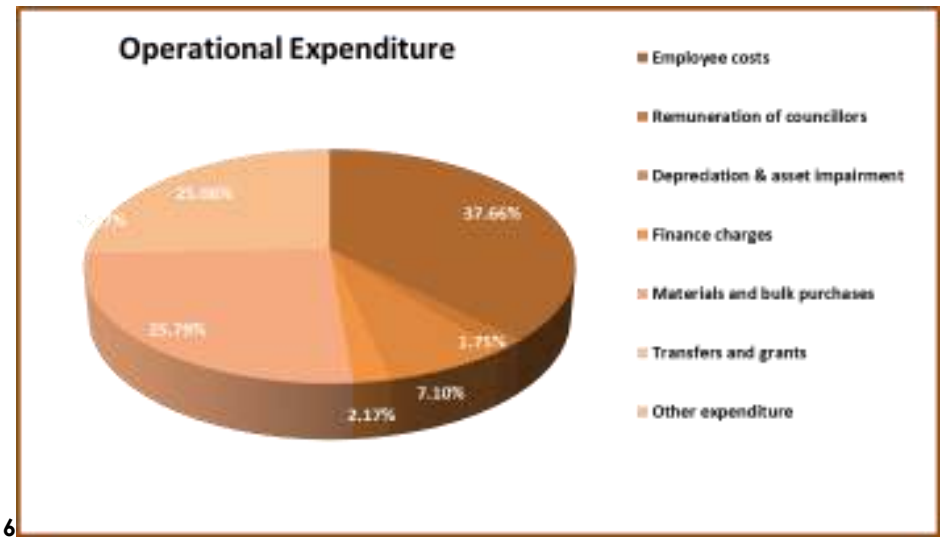
Table 29: *Performance Against Budgets*

The following graph indicates the various types of revenue items in the municipal budget for 2017/18



Graph 4. *Revenue*

The following graph indicates the various types of expenditure items in the municipal budget for 2017/18



6

Graph 5. *Operating Expenditure*

5.1.1 Revenue Collection by Vote

The table below indicates the Revenue collection performance by Vote:

Vote Description	2016/17	2017/18			2017/18 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Vote 1 - Executive & Council	114 956	41 914	66 077	87 368	52.03	24.37
Vote 2 - Municipal Manager	16 147	17 767	18 812	17 869	0.57	-5.28
Vote 3 - Corporate Services	(27)	240	360	1 079	77.76	66.64
Vote 4 - Financial Services	70 985	85 244	85 861	86 301	1.23	0.51
Vote 5 - Community and Public Safety	41 228	69 344	70 035	34 801	-99.26	-101.24
Vote 6 - Technical Services	321 673	402 732	337 195	352 455	-14.26	4.33
Vote 7 - Human Settlement	849	35 066	63 907	51 196	31.51	-24.83
Vote 8 - Strategic Services	0	0	0	0	0	0
Total Revenue by Vote	**565 810**	**652 307**	**642 247**	**631 069**	**-3.37**	**-1.77**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR Table A3						

Revenue by Vote

5.1.2 Revenue Collection by Source

The table below indicates the revenue collection performance by source for the 2017/18 financial year:

Description	2016/17		2017/18		2017/18 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Property rates	70 985	83,694	81,091	81,990	-2.08	1.10
Property rates - penalties & collection charges	0	0	0	0	0	0
Service Charges - electricity revenue	210 156	229,535	221,698	214,893	-6.81	-3.17
Service Charges - water revenue	60 177	72,691	63,356	63,730	-14.06	0.59
Service Charges - sanitation revenue	29 994	35,700	30,894	31,126	-14.70	0.74
Service Charges - refuse revenue	15 458	23,845	16,306	16,710	-42.70	2.42
Rentals of facilities and equipment	3 342	1,638	1,482	3,453	52.55	57.08
Interest earned - external investments	3 308	2,757	4,536	5,586	50.65	18.79
Interest earned - outstanding debtors	6 391	6,604	6,704	6,949	4.98	3.54
Fines	16 700	11,896	1,379	4,874	-144.04	71.71
Licences and permits	0	18,196	0	0	0	0
Agency services	4 844	0	4,556	4,570	100.00	0.30
Transfers recognised - operational	74 589	108,062	123,985	113,150	4.50	-9.58
Other revenue	69 892	22,627	25,266	30,301	25.32	16.62

Description	2016/17		2017/18		2017/18 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Gains on disposal of PPE	0	0	435	0	0	0
Total Revenue (excluding capital transfers and contributions)	**565 810**	**617,245**	**581,687**	**577,332**	**-6.91**	**-0.75**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR Table A4.						

Table 97 *Revenue by Source*

5.1.3 Operational Services Performance

Description	2016/17	2017/18			2017/18 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Operating Cost						
Water	39 749	55 724	46 403	34 196	-62.96	-35.70
Waste Water (Sanitation)	17 431	2 966	17 397	11 159	73.42	-55.90
Electricity	49 799	44 341	53 993	48 527	8.63	-11.26
Waste Management	(9 247)	2 367	(2 240)	(9 338)	125.34	76.01
Housing	(6 625)	(7 819)	7 338	9 667	180.88	24.09
Component A: sub-total	**91 107**	**97 580**	**122 891**	**94 211**	**-3.58**	**-30.44**
Roads and Stormwater	26 854	(16 750)	(21 871)	(23 505)	28.74	6.95
Component B: sub-total	**26 854**	**(16 750)**	**(21 871)**	**(23 505)**	**28.74**	**6.95**
Planning and Development	(11 135)	(20 865)	(17 938)	(16 271)	-28.24	-10.25
Component C: sub-total	**(11 135)**	**(20 865)**	**(17 938)**	**(16 271)**	**-28.24**	**-10.25**
Community and Social Services	(19 920)	(16 707)	(12 191)	(10 147)	-64.65	-20.15
Public Safety	(20 857)	(7 575)	(9 717)	(8 195)	7.57	-18.57
Component D: sub-total	**(40 777)**	**(24 282)**	**(21 908)**	**(18 342)**	**-32.38**	**-19.44**
Sport and Recreation	(22 196)	(31 639)	(36 061)	(32 236)	1.85	-11.87
Component F: sub-total	**(22 196)**	**(31 639)**	**(36 061)**	**(32 236)**	**1.85**	**-11.87**
Finance and Admin	(8 676)	13 230	19 021	23 642	44.04	19.55
Executive and Council	42 292	(28 034)	(12 703)	31 064	190.25	140.89
Component H: sub-total	**33 615**	**(14 804)**	**6 318**	**54 705**	**127.06**	**88.45**
Total Expenditure	**77 468**	**(10 762)**	**31 431**	**58 563**	**118.38**	**46.33**
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Table 98 *Operational Services Performance*

5.2 Financial Performance per Municipal Function

5.2.1 Water Services

Description	2016/17	2017/18			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**62 537**	**84 928**	**84 628**	**76 323**	**-11.27**
Expenditure:					
Employees	14 539	7 590	17 383	15 757	**51.83**
Repairs & Maintenance	1 879	3 799	3 859	2 886	**-31.62**
Other	6 369	17 814	16 983	23 484	**24.14**
Total Operational Expenditure	**22 788**	**29 204**	**38 225**	**42 127**	**30.68**
Net Operational (Service) Expenditure	**39 749**	**55 724**	**46 403**	**34 196**	**-62.96**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 202 *Financial Performance: Water Services*

5.2.2 Waste Water (Sanitation)

Description	2016/17	2017/18			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**30 654**	**36 374**	**38 874**	**31 825**	**-14.29**
Expenditure:					
Employees	11 123	24 984	12 054	12 030	**-107.68**
Repairs & Maintenance	917	1 218	1 228	1 404	**13.25**
Other	1 182	7 205	8 195	7 232	**0.36**
Total Operational Expenditure	**13 223**	**33 408**	**21 476**	**20 666**	**-61.65**
Net Operational (Service) Expenditure	**17 431**	**2 966**	**17 397**	**11 159**	**73.42**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 203 *Financial Performance: Waste Water (Sanitation) Services*

5.2.3 Electricity

Description	2016/17	2017/18			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**210 781**	**233 174**	**235 314**	**221 912**	**-5.08**
Expenditure:					
Employees	10 934	17 828	17 363	13 794	**-29.25**
Repairs & Maintenance	1 786	3 645	3 870	2 826	**-28.99**
Other	148 262	167 360	160 089	156 765	**-6.76**
Total Operational Expenditure	**160 982**	**188 833**	**181 321**	**173 385**	**-8.91**
Net Operational (Service) Expenditure	**49 799**	**44 341**	**53 993**	**48 527**	**8.63**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 227: *Financial Performance: Electricity*

5.2.4 Waste Management

Description	2016/17	2017/18			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**16 172**	**24 364**	**24 264**	**17 390**	**-40.10**
Expenditure:					
Employees	14 135	12 695	12 142	11 787	**-7.71**
Repairs & Maintenance	3 012	599	869	317	**-88.69**
Other	8 271	8 703	13 493	14 623	**40.49**
Total Operational Expenditure	**25 418**	**21 997**	**26 504**	**26 728**	**17.70**
Net Operational (Service) Expenditure	**(9 247)**	**2 367**	**(2 240)**	**(9 338)**	**125.34**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 228: *Financial Performance: Waste Management*

5.2.5 Housing

Description	2016/17	2017/18			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**849**	**35 066**	**63 907**	**51 196**	**31.51**
Expenditure:					
Employees	2 032	3 372	5 772	3 780	**10.81**
Repairs & Maintenance		3	207	126	**97.61**
Other	5 442	39 510	50 590	37 623	**-5.01**
Total Operational Expenditure	**7 474**	**42 885**	**56 569**	**41 529**	**-3.26**
Net Operational (Service) Expenditure	**(6 625)**	**(7 819)**	**7 338**	**9 667**	**180.88**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table XX *Financial Performance: Housing*

5.2.6 Roads and Stormwater

Description	2016/17	2017/18			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**48 697**	**41 013**	**31 397**	**31 678**	**-29.47**
Expenditure:					
Employees	15 486	29 616	27 974	29 988	**1.24**
Repairs & Maintenance	5 895	3 828	5 602	5 677	**32.56**
Other	462	24 319	19 693	19 518	**-24.60**
Total Operational Expenditure	**21 843**	**57 763**	**53 269**	**55 183**	**-4.68**
Net Operational (Service) Expenditure	**26 854**	**(16 750)**	**(21 871)**	**(23 505)**	**28.74**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table XX *Financial Performance: Roads and Stormwater*

5.2.7 Planning

Description	2016/17	2017/18			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**0**	**56**	**56**	**0**	**0**
Expenditure:					
Employees	8 657	17 213	14 582	13 536	**-27.17**
Repairs & Maintenance	464	80	40	0	**0**
Other	2 014	3 628	3 372	2 735	**-32.66**
Total Operational Expenditure	**11 135**	**20 921**	**17 994**	**16 271**	**-28.58**
Net Operational (Service) Expenditure	**(11 135)**	**(20 865)**	**(17 938)**	**(16 271)**	**-28.24**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table XX *Financial Performance: Planning*

5.2.8 Community and Social Services

Description	2016/17	2017/18			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**(192)**	**5 438**	**5 438**	**5 438**	**0**
Expenditure:					
Employees	17,486	11,660	13,917	13,048	**10.64**
Repairs & Maintenance	128	637	846	572	**-11.43**
Other	2,115	9,848	2,866	1,965	**-401.22**
Total Operational Expenditure	**19,729**	**22,145**	**17,629**	**15,585**	**-42.10**
Net Operational (Service) Expenditure	**(19,920)**	**(16,707)**	**(12,191)**	**(10,147)**	**-64.65**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table XX *Financial Performance: Community and Social Services*

5.2.9 Public Safety

Description	2016/17	2017/18			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**0**	**0**	**0**	**195**	**100.00**
Expenditure:					
Employees	16 933	5 586	7 932	6 990	**20.09**
Repairs & Maintenance	160	140	155	75	**-87.62**
Other	3 764	1 849	1 630	1 325	**-39.51**
Total Operational Expenditure	**20 857**	**7 575**	**9 717**	**8 390**	**9.72**
Net Operational (Service) Expenditure	**(20 857)**	**(7 575)**	**(9 717)**	**(8 195)**	**7.57**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 97 *Financial Performance: Public Safety*

5.2.10 Finance and Admin

Description	2016/17	2017/18			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**70 958**	**79 559**	86 190	87 380	**8.95**
Expenditure:					
Employees	33 588	42 637	39 192	39 745	**-7.28**
Repairs & Maintenance	1 005	507	317	827	**38.72**
Other	45 042	23 186	27 660	23 167	**-0.08**
Total Operational Expenditure	**79 635**	**66 329**	**67 169**	**63 738**	**-4.07**
Net Operational (Service) Expenditure	**(8 676)**	**13 230**	**19 021**	**23 642**	**44.04**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 98 *Financial Performance: Finance and Admin*

5.2.11 Sport and Recreation

Description	2016/17	2017/18			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**1 732**	**2 182**	**2 537**	**2 496**	**12.58**
Expenditure:					
Employees	12 644	18 571	23 493	25 326	**26.67**
Repairs & Maintenance	582	836	908	878	**4.83**
Other	10 702	14 415	14 196	8 528	**-69.03**
Total Operational Expenditure	**23 928**	**33 821**	**38 597**	**34 732**	**2.62**
Net Operational (Service) Expenditure	**(22 196)**	**(31 639)**	**(36 061)**	**(32 236)**	**1.85**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Financial Performance: Sport and Recreation

5.2.12 Executive and Council

Description	2016/17	2017/18			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**105 499**	**59 625**	**70 600**	**105 671**	**43.57**
Expenditure:					
Employees	27 104	38 683	39 680	28 503	**-35.71**
Repairs &Maintenance	443	981	386	335	**-193.15**
Other	35 660	47 996	43 237	45 770	**-4.86**
Total Operational Expenditure	**63 207**	**87 659**	**83 303**	**74 608**	**-17.49**
Net Operational (Service) Expenditure	**42 292**	**(28 034)**	**(12 703)**	**31 064**	**190.25**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Financial Performance: Executive and Council

5.3 Grants

5.3.1 Grant Performance

The performance in the spending of these grants is summarised as follows:

Description	2016/17	2017/18			2017/18 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Operating Transfers and Grants						
National Government:	**63 696**	**67 144**	**67 906**	**67 906**	**1.12**	**0**
Local Government Equitable Share	57 849	62 683	62 683	62 683	0	0
Finance Management	1 475	1 550	1 550	1 550	0	0
Municipal Systems Improvement	0	0	0	0	0	0
EPWP Incentive	2 448	2 911	2 911	2 911	0	0
Municipal Infrastructure Grant	1 924	0	762	762	100.00	0
Provincial Government:	**11 828**	**40 918**	**57 266**	**57 085**	**28.32**	**-0.32**
Library Service grant	4 945	5 338	5 247	5 247	-1.73	0
Maintenance & Construction of Road Infrastructure	115	118	106	106	-11.14	0
Thusong support grant	0	100	100	100	0	0
Municipal Service delivery and Capacity Building grant	400	0	0	0	0	0
Emergency Housing	1 406	0	1 406	1 406	100.00	0
Municipal Drought Relief Grant	1 000	0	0	0	0	0
Human Settlement Development Grant	1 462	35 066	45 755	45 755	23.36	0
Western Cape Financial management capacity building grant	120	240	240	222	-7.95	-7.95
Financial Management Support Grant	1 120	0	3 035	3 035	100.00	0
Internship Grant	60	0	121	0	0	0
Fire Services Capacity Building Grant	1 200	0	1 200	1 200	100.00	0
CDW Grant	0	56	56	14	-308.16	-308.16
Total Operating Transfers and Grants	**75 524**	**108 062**	**125 172**	**124 991**	**13.54**	**-0.14**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual						

[illegible] *Grant Performance for 2017/18*

5.3.2 Conditional Grants

Details	2016/17	2017/18			2017/18 Variance	
	Actual				Variance	
	Actual (Audited Outcome)	Budget	Adjustments Budget	Actual	Budget	Adjustment Budget
	R'000				%	
Financial Management Grant	1 475	1 550	1 550	1 550	0	0
EPWP Incentive Grant	2 448	2 911	2 911	2 911	0	0
Energy Efficiency Demand Side Grant	881	0	0	0	0	0
Integrated National Electrification Program	0	3 000	6 000	6 000	50.00	0
Municipal Draught Support Grant	1 011	0	959	0	0	0
Supply for Drought Relief Interventions	1 621	0	0	0	0	0
Library Service grant	4 945	5 338	5 338	5 338	0	0
Water Services Infrastructure Grant	0	10 000	10 000	9 821	-1.83	-1.83
Performance Management Grant	200	0	0	0	0	0
Western Cape Provincial Support Grant	2 107	0	3 480	3 702	100.00	6.00
Provincial Sports Grant	144	0	0	0	0	0
Municipal Infrastructure and Building Repair Grant	178	0	0	0	0	0
Military Sports Academy Grant	88	0	0	0	0	0
Thusong support grant	0	100	100	100	0	0
CDW Operational Grant	63	56	56	14	-308.15	-308.15
Municipal Service Delivery Capacity Building Grant	429	0	1 871	1 871	100.00	0
Emergency Housing Grant	1 406	0	1 406	1 406	100.00	0
Human Settelment Development Grant	849	35 066	63 907	49 790	29.57	-28.35
Internship Grant	5	0	121	0	0	0
Cango Caves Infrastructure Grant	0	0	1 500	60	100.00	-2406.27
Fire Services Capacity Building Grant	0	0	1 200	1 200	100.00	0
Proclaimed Main Roads Subsidy	115	118	118	106	-11.15	-11.15
Western Cape Financial management capacity building grant	461	240	240	0	0	0
Total	**18 424**	**58 379**	**100 757**	**83 868**	**30.39**	**-20.14**

** This includes Neighbourhood Development Partnership Grant Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in par 5.9.2. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*

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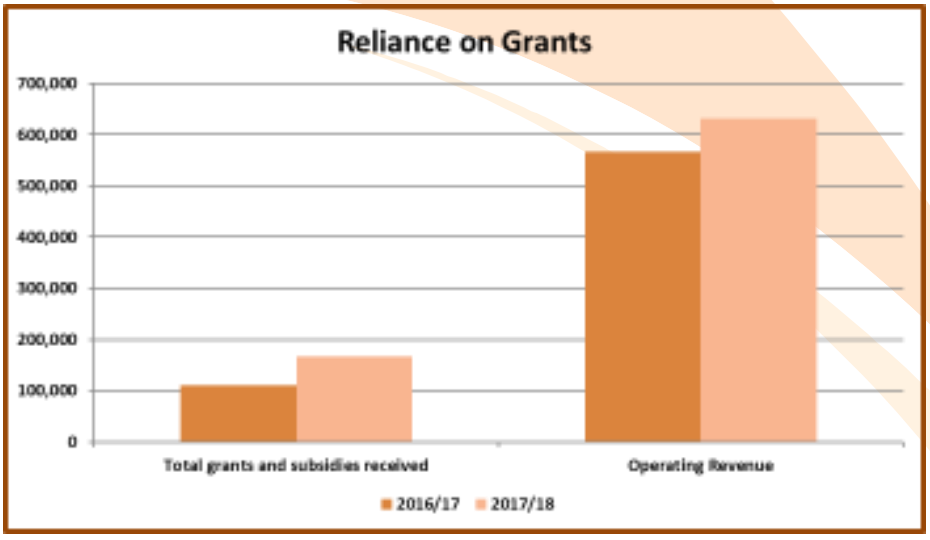
[illegible] *Conditional Grants*

5.3.3 Level of Reliance on Grants and Subsidies

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000	R'000	%
2016/17	111 405	565 810	**19.69**
2017/18	166 888	631 070	**26.45**

Table 247: *Reliance on Grants and Subsidies*

The following graph indicates the municipality's reliance on grants as percentage for the last two financial years



Graph 6. *Reliance on Grants*

5.4 Asset Management

5.4.1 Treatment of the Three Largest Assets

Asset 1		
Name	**Blossoms Borehole and Pipeline (Work in Progress)**	
Description	Water exploration site and new pipeline	
Asset Type	Water: Infrastructure	
Key Staff Involved	Director Technical Services, Senior Manager: Water and Sewerage	
Staff Responsibilities	To manage the construction and exploration of new water resources	
Asset Value as at 30 June 2018	**2016/17 R million**	**2017/18 R million**
	53 533	53 533
Capital Implications	Professional Fees and Construction Fees	
Future Purpose of Asset	New water resource for Greater Oudtshoorn	
Describe Key Issues	Availability of funding	
Policies in Place to Manage Asset	No	

Asset 2		
Name	**Oudtshoorn Municipality Head Office and Civic Centre - Building**	
Description	Building utilised as the municipal head-office and Civic Centre	
Asset Type	Buildings	
Key Staff Involved	Director Community and Social Services, Manager: Council Land and Buildings	
Staff Responsibilities	Management and maintenance of council buildings	
Asset Value as at 30 June 2018	**2016/17 R million**	**2017/18 R million**
	18 482	17 150
Capital Implications	Yes, repair and upgrading of structural damage of building	
Future Purpose of Asset	Municipal Head Office and Civic centre utilised by the Greater Oudtshoorn	
Describe Key Issues	Availability of funding for maintenance of assets and new capital developments	
Policies in Place to Manage Asset	Management and maintenance of council buildings	
Asset 3		
Name	**Sportsgrounds - Rec (Voortrekkerweg)**	
Description	Sport and recreation facilities in Oudtshoorn CBD	
Asset Type	Recreational Facilities	
Key Staff Involved	Director Community and Social Services, Manager: Parks and Gardens	
Staff Responsibilities	n/a	
Asset Value as at 30 June 2018	**2016/17 R million**	**2017/18 R million**
	16 540	15 064
Capital Implications	Yes, refurbishment and new additions to of sport facilities	
Future Purpose of Asset	Recreational facility for all local and provincial sporting events	
Describe Key Issues	Availability of funding for maintenance of assets and new capital developments	
Policies in Place to Manage Asset	Maintenance plans for all buildings in process of completion	

[illegible] *Treatment of the Three Largest Assets*

5.4.2 Repairs and Maintenance

Description	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Budget variance
		R' 000			%
Repairs and Maintenance Expenditure	16 270	17 042	18 286	15 922	-14.85

[illegible] *Repairs & Maintenance as % of Total Operating Expenditure*

5.5 Financial Ratios Based on Key Performance Indicators

5.5.1 Liquidity Ratio

Description	Basis of calculation	2016/17	2017/18
		Audited outcome	Audited outcome
Current Ratio	Current assets/current liabilities	0.76	1.07
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.08	0.06
Liquidity Ratio	Monetary Assets/Current Liabilities	0.25	0.62

Table XX: *Liquidity Financial Ratio*

5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2016/17	2017/18
		Audited outcome	Audited outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.77	1.69
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.13	0.12
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	12.40	23.89

Table XX: *Financial Viability National KPAs*

5.5.3 Borrowing Management

Description	Basis of calculation	2016/17	2017/18
		Audited outcome	Audited outcome
Capital charges to operating expenditure	Interest & Principal Paid /Operating Expenditure	0.12	0.07

Table XX: *Borrowing Management*

5.5.4 Employee Costs

Description	Basis of calculation	2016/17	2017/18
		Audited outcome	Audited outcome
		%	
Employee costs	Employee costs/(Total Revenue - capital revenue)	35.26	37.35

Table XX: *Employee Costs*

5.5.5 Repairs and Maintenance

Description	Basis of calculation	2016/17	2017/18
		Audited outcome	Audited outcome
		%	
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3	3

Table 5.5.5 *Repairs & Maintenance*

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.6 Sources of Finance

The table below indicates the capital expenditure by funding source for the 2017/18 financial year:

Details	2016/17	2017/18				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Source of finance						
Description	**R'000**				**%**	
External loans	0	0	0	0	0	0
Public contributions and donations	0	0	0	0	0	0
Grants and subsidies	35 434	29 887	56 177	53 737	87.96	-4.34
Own funding	15 564	7 349	11 528	4 315	56.86	-62.57
Total	**50 998**	**37 236**	**67 705**	**58 052**	**45.00**	**35.86**
Percentage of finance						
%						
External loans	0	0	0	0		
Public contributions and donations	0	0	0	0		
Grants and subsidies	69	80	83	93		
Own funding	31	20	17	7		
Capital expenditure						
Description	**R'000**				**%**	
Water and sanitation	5 029	11 265	15 187	12 131	34.82	-20.12
Electricity	8 884	6 831	12 417	11 477	81.77	-7.57
Housing	0	0	18 186	16 120	0.00	0.00
Roads and storm water	16 062	5 014	12 158	11 124	142.48	-8.50
Other	21 023	14 126	9 757	7 200	-30.93	-26.21
Total	**50 998**	**37 236**	**67 705**	**58 052**	**45.00**	**35.86**
Percentage of expenditure						
%						

Details	2016/17	2017/18				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Water and sanitation	10	30	22	21		
Electricity	17	18	18	20		
Housing	0	0	27	28		
Roads and storm water	31	13	18	19		
Other	41	38	14	12		

Capital Expenditure by Funding Source

5.7 Capital Spending on 5 Largest Projects

Name of Project	2017/18				
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'000			%	
Rosevalley Phase 2- Services (Human Settlement)	0	18 151 497.00	18 151 497.00	0.10	(18 151.40)
Refurbishment of Plant Equipment (WSIG)	8 695 652.17	8 771 930.00	8 771 930.00	0.00	(1 008 769.55)
Paving of Streets (MIG)	1 171 613.09	6 819 074.00	6 819 074.00	0.08	(8 233.65)
New High mast Light (MIG)	0	4 052 953.00	4 052 953.00	0.10	(4 052.85)
Roads and Streets (MIG)	0	2 012 838.00	2 012 838.00	0.10	(2 012.74)
Name of Project - A	**Rosevalley Phase 3 - Civil Services**				
Objective of Project	Civil Services for the new Low-income Housing Project				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Low income housing and provision of basic services				
Name of Project - B	**Refurbishment of Plant Equipment**				
Objective of Project	Refurbishment of borehole and network equipment within the KKRWS				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Consistent water provision in rural areas				
Name of Project - C	**Paving of Streets**				
Objective of Project	Paved streets approved by MIG				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Paved streets approved by MIG				
Name of Project - D	**New High Mast Light**				
Objective of Project	High mast lightning in rural areas				
Delays	None				
Future Challenges	None				

Anticipated citizen benefits	Safety and security due the lightning of rural areas
Name of Project - E	**Roads Streets (MIG)**
Objective of Project	Rehabilitation of streets approved by MIG
Delays	None
Future Challenges	None
Anticipated citizen benefits	Rehabilitation of streets approved by MIG

Capital Spending on 5 Largest Projects

5.8 Capital Spending per Asset Class

Description	2016/17	2017/18			Planned Capital expenditure		
	Audited outcome	Original Budget	Adjust-ment Budget	Actual Expendi-ture	2018/19	2019/20	2020/21
	R'000						
Capital expenditure by Asset Class							
Infrastructure - Total	**34 650**	**27 057**	**58 521**	**50 961**	**40 818**	**52 070**	**37 954**
Infrastructure: Road transport - Total	**18 324**	**5 014**	**30 097**	**15 294**	**1 922**	**7 216**	**10 576**
Roads, Pavements & Bridges	18 324	5 014	30 097	15 294	1 922	7 216	10 576
Infrastructure: Electricity - Total	**3 594**	**6 831**	**12 107**	**22 748**	**4 376**	**13 310**	**3 250**
Transmission & Reticulation	3 594	6 831	12 107	22 748	4 376	13 310	3 250
Infrastructure: Water - Total	**2 778**	**9 072**	**13 275**	**11 707**	**28 739**	**26 647**	**19 101**
Reticulation	2 778	9 072	13 275	11 707	28 739	26 647	19 101
Infrastructure: Sanitation - Total	**6 713**	**2 193**	**1 726**	**480**	**2 304**	**4 897**	**5 027**
Sewerage purification	6 713	2 193	1 726	480	2 304	4 897	5 027
Infrastructure: Other - Total	**3 241**	**3 947**	**1 316**	**731**	**3 477**	**0**	**0**
Waste Management	3 241	3 947	1 316	731	3 477	0	0
Community - Total	**690**	**7 579**	**1 272**	**0**	**9 934**	**10 360**	**6 017**
Recreational facilities	564	7 529	1 222	0	7 195	2 156	4 079
Community Facilities	126	50	50	0	2 739	8 204	1 938
Investment properties - Total	**0**	**0**	**0**	**131**	**0**	**0**	**0**
Revenue Generating	0	0	0	131	0	0	0
Operational Buildings	**0**	**0**	**1 996**	**135**	**3 760**	**2 429**	**114**
Lease Assets	**14 630**	**0**	**0**	**1 192**	**0**	**0**	**0**
Other assets	**769**	**2 600**	**5 467**	**4 684**	**3 257**	**3 134**	**3 983**
Machinery and Equipment	34	450	735	982	1 219	1 875	3 631
Computers - hardware/equipment	610	1 500	2 482	1 630	1 516	0	0
Furniture and other office equipment	125	350	897	768	522	441	352
Transport Assets	0	300	1 353	1 303	0	818	0

Description	2016/17	2017/18			Planned Capital expenditure		
	Audited outcome	Original Budget	Adjust-ment Budget	Actual Expendi-ture	2018/19	2019/20	2020/21
R'000							
Capital expenditure by Asset Class							
Intangibles	**259**	**0**	**450**	**950**	**963**	**0**	**61**
Computers - software & programming	259	0	450	950	963	0	61
Total Capital Expenditure on new assets	**50 998**	**37 236**	**67 706**	**58 052**	**58 732**	**67 993**	**48 129**

Table 2[illegible] *Capital Spending per Asset Class*

5.9 Municipal Infrastructure Grant (MIG)

Details	2016/17	2017/18			
	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
	R			%	
Reticulation	5 129 429	270 587	270 587	5	100
Sewerage purification	1 486 957	260 218	260 218	18	100
Infrastructure - Refuse removal	3 963 648	1 513 157	1 513 157	38	100
Infrastructure - Electricity	0	4 660 896	4 660 896	0	100
Infrastructure - Road Transport	3 347 517	13 340 835	13 340 835	399	100
Outdoor Sport facilities	8 134 449	1 008 772	1 008 772	12	100
Other Assets- Office Furniture for PMU	0	245 105	245 105	0	100
PMU - Operational Expenditure	0	762 429	762 429	0	100
Total	**22 062 000**	**22 062 000**	**22 062 000**	**100**	**100**

Table 2[illegible] *Municipal Infrastructure Grant (MIG)*

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow management is critical to the municipality as it enables the organisation to assess whether enough cash is available at any point in time to cover the council's commitments. Cash flow is rigorously managed and monitored on a regular basis.

5.10 Cash Flow

Description	2016/17	2017/18		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Cash flow from operating activities				

Description	2016/17	2017/18		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Receipts				
Ratepayers and other	402 838	486 458	439 737	426 711
Government - operating	74 589	108 062	123 985	113 150
Government - capital	36 816	35 062	61 517	53 737
Interest	9 621	9 360	10 910	12 535
Payments				
Suppliers and employees	(420 838)	(585 846)	(564 678)	(462 892)
Finance charges	(8 954)	(6 929)	(17 093)	(8 181)
Transfers and Grants	(3 022)	(850)	(1 200)	(2 697)
Net cash from/(used) operating activities	**91 050**	**45 318**	**53 177**	**132 364**
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	0	0	435	435
Payments				
Capital assets	(34 470)	(37 236)	(66 677)	(56 860)
Net cash from/(used) investing activities	**(34 470)**	**(37 236)**	**(66 243)**	**(56 426)**
Cash flows from financing activities				
Receipts				
Increase/(Decrease) in Consumer Deposits	0	0	468	0
Payments				
Repayment of borrowing	(48 365)	(10 101)	(20 000)	(32 825)
Net cash from/(used) financing activities	**(48 365)**	**(10 101)**	**(19 532)**	**(32 825)**
Net increase/ (decrease) in cash held	**8 215**	**(2 018)**	**(32 598)**	**43 113**
Cash/cash equivalents at the year begin:	**19 679**	**29 924**	**72 816**	**27 894**
Cash/cash equivalents at the year-end:	**27 894**	**27 906**	**40 218**	**71 007**

Table 207 Cash Flow

5.11 Gross Outstanding Debtors per Service

Financial year	Rates	Trading services (Electricity and Water)	Economic services (Sanitation and Refuse)	Housing rentals	Other	Total
	R'000	R'000	R'000	R'000	R'000	R'000
2016/17	17 737	56 232	28 099	1	6 445	108 514
2017/18	20 037	55 678	24 951	1	5 860	106 526
Difference	2 300	(554)	(3 148)	0	(585)	(1 988)

Financial year	Rates	Trading services (Electricity and Water)	Economic services (Sanitation and Refuse)	Housing rentals	Other	Total
	R'000	R'000	R'000	R'000	R'000	R'000
% growth year on year	13	-1	-11	0	-9	-2

Table 99 *Gross Outstanding Debtors per Service*

5.12 Total Debtors Age Analysis

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000				
2016/17	32 324	2 865	2 423	70 902	108 514
2017/18	33 355	5 182	3 394	64 594	106 526
Difference	1 031	2 317	971	(6 307)	(1 988)
% growth year on year	3	81	40	-9	-2

Table 100 *Service Debtor Age Analysis*

5.13 Borrowing and Investments

Infrastructure needs to be replaced and therefore borrowings for periods of 15 years are taken up to lessen the impact on consumers.

5.13.1 Actual Borrowings

Actual Borrowings		
R'000		
Instrument	2016/17	2017/18
Long-Term Loans (annuity/reducing balance)	59 717	50 788
Instalment Credit	18 835	0
Financial Leases	13 621	9 752
Total	92 173	60 539

Table 101 *Actual Borrowings*

5.13.2 Investments

Investment type	2016/17	2017/18
	Actual	Actual
	R'000	
Deposits - Bank	23 518	63 510
Total	**23 518**	**63 510**

Investments

5.13.3 Grants Made by the Municipality: 2017/18

All organisation or person in receipt of grants provided by the Municipality	Nature of project	Conditions attached to funding	Value 2017/18	Total amount committed over previous and future years
			R'000	
Non-Profit Organization	Tourism	Operational Expenditure of the Local Tourism Bureau	550	Annual memorandum of agreement
Non-Profit Organization	Sport Development	Operational expenditure and donations towards sporting bodies and festivals in Oudtshoorn	420	As per agreement
Bursaries non-employees	Bursaries	Bursaries supplied to members of public after conditions were met	314	Annual memorandum of agreement
Households	Donations	Donations provided to poor households	7	As per agreement
Provincial Government	Emergency Housing Program	Emergency housing kits provided to poor households after natural disasters	1 407	Annual memorandum of agreement

Grants Made by the Municipality: 2017/18

CHAPTER 6

COMPONENT A: AUDITOR-GENERAL OPINION

6.1 Auditor-General Report 2016/17

2016/17	
Main issues raised under qualification	**Corrective steps implemented/ to be implemented**
Financial Statements	
Contingent liabilities	
Unable to obtain sufficient appropriate audit evidence to confirm whether all contingent liabilities are disclosed, as not all external confirmations were received. I was unable to confirm the contingent liabilities by alternative means. Consequently, I was unable to determine whether any adjustment to contingent liabilities, stated at R546 654 in note 49 to the financial statements was necessary.	A register to be implemented wherein all legal matters will be registered, legal counsel will be required to certify with each statement submitted whether there are any contingent liabilities that may impact on the municipality.
Property, plant and equipment – other assets	
Unable to obtain sufficient appropriate audit evidence for the impairment of other assets within property plant and equipment as disclosed in note 11 to the financial statements, as not all municipal assets included on the asset register were assessed for impairment in accordance with GRAP 26. I was unable to confirm by alternative means the effect of not adequately considering the impairment.	The asset register will be revised in total during the current financial year, asset count sheets will be designed to clearly indicate whether there are any triggers for impairment in order to adequately and appropriately account for impairment going forward.
Water distribution losses	
Unable to obtain sufficient appropriate audit evidence to confirm whether water distribution losses were correctly disclosed in note 41.4 to the financial statements, as the Oudtshoorn bulk water meter was damaged for a significant part of the year. I was unable to confirm the water distribution losses by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to water distribution losses, stated at 7,34% in note 41.4 to the financial statements	The Bulk meter has already been replaced and accurate readings are available upon which to base unaccounted losses and quantification thereof. The matter will be prevented in the next financial year.

AG Report 2016/17

6.2 Auditor-General Report 2017/18

2017/18	
Main issues raised under qualification	**Corrective steps implemented/ to be implemented**
Financial Statements	
Property, plant and equipment – other assets	
Unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding amounts for land and buildings and community assists. As, described in note 40 to the financial statements, the restatement was made to rectify the opening balances of land and buildings and community assets, but the restatement could not be substantiated by supporting evidence. I. was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to land and building and community assets corresponding carrying values stated at R109 999 883 and R55 688 482, respectively, in note 2.2 to the financial statements.	The actual expenditure relating to all additions and improvements of Land, Buildings and Community assets will be investigated and reconciliation will be performed to substantiate the opening balance as at 1 July 2016. Audit file will be updated with information and supplied to the Auditor General on their quarterly visits for review.
Investment property	
Unable to obtain sufficient appropriate evidence for the restatement of the corresponding amounts reinvestment property in the financial statements. As, described in note 40 to the financial statements, the restatement was made to rectify the opening balances of investment property, but the restatement could not be substantiated by supporting evidence. I. was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to investment property's corresponding carrying values stated at R68 037 193 in note 3 to the financial statements.	The actual expenditure relating to all additions and improvements of Investment Property assets will be investigated and reconciliation will be performed to substantiate the opening balance as at 1 July 2016. Audit file will be updated with information and supplied to the Auditor General on their quarterly visits for review.

AG Report 2017/18

LIST OF ABBREVIATIONS

AG	Auditor-General
CAPEX	Capital Expenditure
CBP	Community Based Planning
CFO	Chief Financial Officer
DCF	District Coordinating Forum
DEDAT	Department of Economic Development and Tourism
DPLG	Department of Provincial and Local Government
DWAF	Department of Water Affairs and Forestry
EE	Employment Equity
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IMFO	Institute for Municipal Finance Officers
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LLF	Local Labour Forum
MAYCOM	Executive Mayoral Committee
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
MGRO	Municipal Governance Review & Outlook
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MSA	Municipal Systems Act No. 32 of 2000
MTECH	Medium Term Expenditure Committee
NGO	Non-governmental organisation

NT	National Treasury
OPEX	Operating expenditure
PMS	Performance Management System
PCF	Premiers Coordinating Forum
PSG	Provincial Strategic Goal
PT	Provincial Treasury
SALGA	South African Local Government Association
SAMDI	South African Management Development Institute
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework

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Annexure A

Financial Statements

OUDTSHOORN
MUNICIPALITY

FINANCIAL STATEMENTS

30 JUNE 2018

2018 -11- 30
AUDITOR - GENERAL
SOUTH AFRICA

OUDTSHOORN LOCAL MUNICIPALITY

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2018 -11- 30
AUDITOR - GENERAL
SOUTH AFRICA

OUDTSHOORN LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

GENERAL INFORMATION

NATURE OF BUSINESS

Oudtshoorn Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Oudtshoorn Municipality includes the following areas:
Oudtshoorn, Dysselsdorp, De Rust, Volmoed, De Hoop

MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor	CF Sylvester
Deputy Executive Mayor	N Mwati
Speaker	J le Roux Krowitz
Executive Mayoral Committee	DJ Fourie
Executive Mayoral Committee	E Fortuin
Executive Mayoral Committee	GJ Kersop
Executive Mayoral Committee	H Ruiters
Executive Mayoral Committee	P Luiters 1July 2017 to 24 February 2018

MUNICIPAL MANAGER

AA Paulse

CHIEF FINANCIAL OFFICER

FM Lötter

BUSINESS ADDRESS

69 Voortrekker Road
OUDTSHOORN
6625

AUDITORS

Office of the Auditor-General (Western Cape)
Private Bag X1
CHEMPET
7442

PRINCIPLE BANKERS

ABSA BANK

2018 -11- 30
AUDITOR - GENERAL

OUDTSHOORN LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

GENERAL INFORMATION

ATTORNEYS

Avontuur and Partners - 108 St Georges Street, Oudtshoorn.
Coetzee and v/d Bergh Attorneys - 41 Baron van Rheede Street, Oudtshoorn.
James King Badenhorst Attorneys - 144 St John Street, Oudtshoorn.
Advocate Metembo - 02 Arend Botha Street, Oudtshoorn.
Stadler & Swart Attorneys - 01 Doneraile Street, George.
Duvenage Jonck and Kayser Inc. - 84 Baron van Rheede Street. Oudtshoorn
Bradley Conradie Halton Cheadle Inc. - The Gatehouse, G04, Century Way, Century City. Cape Town.

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Systems Amendment Act (Act no 7 of 2011)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations

MEMBERS OF THE OUDTSHOORN LOCAL MUNICIPALITY

WARD	COUNCILLOR
Councillor	LPO Wagenaar
Councillor	VM Donson
Councillor	N Magopeni
Councillor	RR Wildschut
Councillor	HG Juthe
Councillor	JE Floors
Councillor	M Titus
Councillor	JH Tyatya
Councillor	JC Lambaatjeen
Councillor	LS Stone
Councillor	H Botha
Councillor	K Windvogel
Councillor	H Human
Councillor	CL Cobus
Councillor	N Soman
Councillor	DR Maarman
Councillor	BV Owen
Councillor	MBG Theyse - from 30/05/2018

2018 -11- 30
AUDITOR - GENERAL

OUDTSHOORN LOCAL MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2018, which are set out on pages 11 to 111 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2019 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

AA Paulse
Municipal Manager

Date

2018 -11- 30
AUDITOR - GENERAL
SOUTH AFRICA

OUDTSHOORN LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2018

	Notes	2018 R	2017 Restated R
ASSETS			
Non-Current Assets		**864 433 910**	**847 426 207**
Property, Plant and Equipment	2	776 535 126	758 134 508
Investment Property	3	66 516 491	68 037 193
Intangible Assets	4	1 183 541	421 384
Heritage Assets	5	13 774 345	13 774 345
Capitalized Restoration Cost	6	6 424 407	7 058 777
Current Assets		**122 965 150**	**84 394 563**
Inventory	7	1 678 095	1 586 711
Receivables from exchange transactions	8	39 439 489	40 122 563
Receivables from non-exchange transactions	9	10 837 179	12 097 800
Unpaid Transfers and Subsidies	18	-	2 685 184
Operating Lease Asset	10	3 066	8 182
Cash and Cash Equivalents	11	71 007 321	27 894 123
Total Assets		**987 399 060**	**931 820 770**
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		**218 706 515**	**225 978 128**
Long-term Borrowings	12	44 863 279	60 391 413
Non-current Provisions	13	58 478 687	54 260 486
Non-current Employee Benefits	14	115 364 549	111 326 229
Current Liabilities		**115 388 445**	**111 101 178**
Consumer Deposits	15	9 203 729	8 482 812
Current Employee Benefits	16	22 054 918	19 629 311
Trade and Other Payables from exchange transactions	17	50 630 735	38 097 410
Unspent Transfers and Subsidies	18	9 695 218	10 187 510
Taxes	19	8 127 832	2 922 650
Current Portion of Long-term Borrowings	12	15 676 013	31 781 484
Net Assets		**653 304 100**	**594 741 464**
Accumulated Surplus/(Deficit)		653 304 100	594 741 464
Total Net Assets and Liabilities		**987 399 060**	**931 820 770**

2018 -11- 30
AUDITOR - GENERAL
SOUTH AFRICA

OUDTSHOORN LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 (Actual) R	2017 (Restated) R
REVENUE			
Revenue from Non-exchange Transactions		**261 655 936**	**212 214 748**
Taxation Revenue		**81 990 053**	**70 958 273**
Property Rates	21	81 990 053	70 958 273
Transfer Revenue		**167 140 894**	**111 480 961**
Government Grants and Subsidies - Capital	22	53 737 290	36 816 136
Government Grants and Subsidies - Operating	22	113 150 212	74 588 619
Public Contributions and Donations		58 650	76 206
Contributed Property, Plant and Equipment	30	194 742	-
Other Revenue		**12 524 989**	**29 775 514**
Actuarial Gains	14	6 766 799	12 271 902
Fines, Penalties and Forfeits		4 874 334	16 699 752
Government Incentives Received		842 972	760 280
Licences and Permits		40 884	43 580
Revenue from Exchange Transactions		**369 413 660**	**353 595 045**
Service Charges	23	326 458 837	315 785 556
Entrance fees		17 604 864	15 586 807
Sales of Goods and Rendering of Services	24	3 929 600	3 516 373
Rental from Fixed Assets	25	3 453 170	3 341 693
Interest Earned - external investments	26	5 585 737	3 308 275
Interest Earned - Exchange Transactions	27	6 949 384	6 390 851
Interest Earned - Outstanding Receivables		-	-
Agency Services		4 569 746	4 844 494
Operational Revenue	28	862 321	820 996
Total Revenue		**631 069 596**	**565 809 794**
EXPENDITURE			
Employee Related Cost	29	(215 633 043)	(186 514 992)
Remuneration of Councillors	30	(10 022 284)	(9 483 852)
Actuarial Losses	14	(401 558)	-
Bad Debts Written Off		(36 122 983)	(567 290)
Contracted Services	31	(21 396 094)	(26 384 315)
Depreciation and Amortisation	32	(40 642 921)	(35 094 909)
Interest, Dividends and Rent on Land	33	(12 398 767)	(14 674 724)
Bulk Purchases	34	(147 637 240)	(146 708 626)
Inventory Consumed	7	(12 626 068)	(7 020 115)
Operating Leases		(4 579 273)	(2 677 853)
Transfers and Subsidies	35	(2 697 142)	(3 021 673)
Operational Cost	36	(76 273 922)	(39 982 929)
Total Expenditure		**(580 431 294)**	**(472 131 278)**
Operating Surplus for the Year		**50 638 302**	**93 678 516**
(Impairment Loss)/Reversal of Impairment Loss on Receivables	37	8 086 021	(15 501 101)
Gains/(Loss) on Sale of Fixed Assets		(161 688)	-
Loss on Disposal of Assets		-	3 843
(Impairment Loss)/Reversal of Impairment Loss on Fixed Assets	38	-	(713 047)
NET SURPLUS/(DEFICIT) FOR THE YEAR		**58 562 636**	**77 468 216**

2018 -11- 30
AUDITOR - GENERAL
SOUTH AFRICA

OUDTSHOORN LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30

	Accumulated Surplus/ (Deficit)	Total
	R	R
Balance at 1 July 2016	**421 455 743**	**421 455 743**
Correction of Error - note 40	95 817 510	95 817 510
Restated balance	517 273 253	517 273 253
Net Surplus/(Deficit) for the year	78 812 128	78 812 128
Net Surplus/(Deficit) previously reported	78 812 128	78 812 128
Balance at 30 June 2017	**596 085 381**	**596 085 381**
Correction of Error - note 40	(1 343 917)	(1 343 917)
Restated balance	**594 741 464**	**594 741 464**
Net Surplus/(Deficit) for the year	58 562 636	58 562 636
Balance at 30 June 2018	**653 304 100**	**653 304 100**

2018 -11- 30
AUDITOR - GENERAL
SOUTH AFRICA

OUDTSHOORN LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 R	2017 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Ratepayers and other		426 711 155	402 837 673
Government - Capital		53 737 290	36 816 136
Government - Operating		113 150 212	74 588 619
Interest		12 535 121	9 620 947
Cash payments			
Suppliers and Employees		(462 891 699)	(420 837 833)
Finance Charges		(8 180 566)	(8 954 188)
Transfers and Grants		(2 697 142)	(3 021 673)
Net Cash from Operating Activities	42	**132 364 372**	**91 049 681**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(55 779 424)	(34 211 455)
Proceeds on Disposal of Fixed Assets		434 647	-
Purchase of Investment Properties		(130 752)	-
Purchase of Intangible Assets		(950 314)	(258 871)
Net Cash from Investing Activities		**(56 425 844)**	**(34 470 326)**
CASH FLOW FROM FINANCING ACTIVITIES			
Movement in agreements with suppliers		(18 834 732)	(34 399 024)
Repayment of Borrowing		(13 990 598)	(13 965 523)
Net Cash from Financing Activities		**(32 825 330)**	**(48 364 547)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		43 113 198	8 214 808
Cash and Cash Equivalents at the beginning of the year		27 894 123	19 679 315
Cash and Cash Equivalents at the end of the year	43	71 007 321	27 894 123
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**43 113 198**	**8 214 808**

2018 -11- 30
AUDITOR - GENERAL
SOUTH AFRICA

OUDTSHOORN LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2018

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		R	R	R	R	2018 R	%
ASSETS							
Current Assets							
Cash		17 906 037	(1 205 635)	16 700 402	16 700 402	7 497 146	-55.11%
Call Investment Deposits		10 000 000	13 517 921	23 517 921	23 517 921	63 510 176	170.05%
Consumer Debtors		37 708 978	(6 482 883)	31 226 095	31 226 095	60 276 668	61.01%
Other Debtors			2 962 703	2 962 703	2 962 703	3 066	-99.90%
Inventory		1 400 000	281 914	1 681 914	1 681 914	1 678 095	-0.23%
Total Current Assets		**67 015 015**	**9 074 019**	**76 089 034**	**76 089 034**	**122 965 150**	**61.61%**
Non-Current Assets							
Investment Property		65 860 648	(2 526 802)	63 333 846	63 333 846	66 516 491	5.03%
Property, Plant and Equipment		684 729 003	33 137 681	717 866 684	717 866 684	782 959 533	9.07%
Intangible Assets		417 831	428 553	846 384	846 384	1 183 541	39.83%
Other Non-Current Assets		-	19 632 055	19 632 055	19 632 055	13 774 345	-29.84%
Total Non-Current Assets		**751 007 482**	**50 671 487**	**801 678 969**	**801 678 969**	**864 433 910**	**7.83%**
TOTAL ASSETS		**818 022 497**	**59 745 506**	**877 768 003**	**877 768 003**	**987 399 060**	**12.48%**
LIABILITIES							
Current Liabilities							
Borrowing		10 100 789	7 000 000	17 100 789	17 100 789	15 676 013	-8.33%
Consumer Deposits		7 500 000	1 083 509	8 583 509	8 583 509	9 203 729	7.23%
Trade and Other Payables		37 500 000	20 423 378	57 923 378	57 923 378	68 453 785	18.18%
Provisions		40 254 365	(18 662 124)	21 592 241	21 592 241	22 054 918	2.14%
Total Current Liabilities		**95 355 154**	**9 844 763**	**105 199 917**	**105 199 917**	**115 388 445**	**9.68%**
Non-Current Liabilities							
Borrowing		46 774 841	12 616 580	59 391 421	59 391 421	44 863 279	-24.46%
Provisions		169 488 229	(7 016 311)	162 471 918	162 471 918	173 843 236	7.00%
Total Non-Current Liabilities		**216 263 070**	**5 600 269**	**221 863 339**	**221 863 339**	**218 706 515**	**-1.42%**
TOTAL LIABILITIES		**311 618 224**	**15 445 032**	**327 063 256**	**327 063 256**	**334 094 960**	**2.15%**
NET ASSETS							
Accumulated Surplus/(Deficit)		506 404 273	44 300 474	550 704 747	550 704 747	653 304 100	18.63%
TOTAL NET ASSETS	**46.02**	**506 404 273**	**44 300 474**	**550 704 747**	**550 704 747**	**653 304 100**	**18.63%**

2018 -11- 30
AUDITOR - GENERAL
SOUTH AFRICA

OUDTSHOORN LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
						2018	
		R	R	R	R	R	%
REVENUE							
Property Rates		83 693 738	(2 602 758)	81 090 980	81 090 980	81 990 053	1.11%
Service Charges - Electricity Revenue		229 535 217	(7 837 117)	221 698 100	221 698 100	214 893 433	-3.07%
Service Charges - Water Revenue		72 690 513	(9 334 413)	63 356 100	63 356 100	63 730 109	0.59%
Service Charges - Sanitation Revenue		35 700 492	(4 806 492)	30 894 000	30 894 000	31 125 665	0.75%
Service Charges - Refuse Revenue		23 844 934	(7 539 334)	16 305 600	16 305 600	16 709 630	2.48%
Rental of Facilities and Equipment		1 638 484	(156 384)	1 482 100	1 482 100	3 453 170	132.99%
Interest Earned - External Investments		2 756 793	1 779 452	4 536 245	4 536 245	5 585 737	23.14%
Interest Earned - Outstanding Debtors		6 603 600	99 923	6 703 523	6 703 523	6 949 384	3.67%
Fines		11 895 500	(10 516 680)	1 378 820	1 378 820	4 874 334	253.51%
Licences and Permits		18 196 143	(18 196 143)	-	-	-	0.00%
Agency Services			4 555 961	4 555 961	4 555 961	4 569 746	0.30%
Transfers Recognised - Operational		108 062 000	15 922 527	123 984 527	123 984 527	113 150 212	-8.74%
Other Revenue		22 627 424	2 638 504	25 265 928	25 265 928	30 300 833	19.93%
Gains on Disposal of PPE			434 947	434 947	434 947	-	-100.00%
Total Revenue (excluding capital transfers and contributions)		617 244 838	(35 558 306)	581 686 532	581 686 532	577 332 306	-0.75%
EXPENDITURE							
Employee Related Costs		214 343 900	17 139 509	231 483 409	231 483 409	215 633 043	-6.85%
Remuneration of Councillors		10 590 700	(319 146)	10 271 554	10 271 554	10 022 284	-2.43%
Debt Impairment		24 381 698	(53 232 258)	(28 850 560)	(28 850 560)	(8 086 021)	-71.97%
Depreciation and Asset Impairment		24 491 400	331 070	24 822 470	24 822 470	40 642 921	63.73%
Finance Charges		6 928 947	10 166 277	17 095 224	17 095 224	12 396 767	-27.47%
Bulk Purchases		155 079 667	(1 000 000)	154 079 667	154 079 667	147 637 240	-4.18%
Other Materials			21 719 301	21 719 301	21 719 301	12 626 068	-41.87%
Contracted Services		30 154 500	(11 341 500)	18 813 000	18 813 000	21 396 094	13.73%
Transfers and Grants		850 000	350 000	1 200 000	1 200 000	2 697 142	124.76%
Other Expenditure		196 248 186	(35 109 239)	161 138 929	161 138 929	117 377 736	-27.16%
Loss on Disposal of PPE			-	-	-	161 888	100.00%
Total Expenditure		663 069 000	(51 295 986)	611 773 014	611 773 014	572 508 961	-6.42%
Surplus/(Deficit)		(45 824 162)	15 737 680	(30 086 482)	(30 086 482)	4 825 345	-116.04%
Transfers Recognised - Capital		35 062 000	26 455 052	61 517 052	61 517 052	53 737 290	-12.65%
Surplus/(Deficit) for the year	46.03	(10 762 162)	42 192 732	31 430 570	31 430 570	58 562 636	86.32%

2018 -11- 30
AUDITOR - GENERAL
SOUTH AFRICA

OUDTSHOORN LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
						2018	
		R	R	R	R	R	%
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Property rates		81 182 926	(76 374)	81 106 552	81 106 552	81 990 053	1.09%
Service Charges		350 918 021	(24 970 566)	325 947 455	325 947 455	313 358 894	-3.86%
Other Revenue		54 357 552	(21 674 743)	32 682 809	32 682 809	31 362 208	-4.04%
Government - Operating		108 062 000	15 922 528	123 984 528	123 984 528	113 150 212	-8.74%
Government - Capital		35 062 000	26 455 052	61 517 052	61 517 052	53 737 290	-12.65%
Interest		9 360 393	1 549 186	10 909 580	10 909 580	12 535 121	14.90%
Dividends			-		-		0.00%
Payments							
Suppliers and Employees		(585 845 755)	21 167 428	(564 678 327)	(564 678 327)	(462 891 699)	-18.03%
Finance costs		(6 928 947)	(10 163 777)	(17 092 724)	(17 092 724)	(8 180 566)	-52.14%
Transfers and Grants		(850 000)	(350 000)	(1 200 000)	(1 200 000)	(2 697 142)	124.76%
Net Cash from/(used) Operating Activities		45 318 189	7 858 735	53 176 924	53 176 924	132 364 372	148.91%
CASH FLOW FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE			434 647	434 647	434 647	434 647	0.00%
Payments							
Capital Assets		(37 235 842)	(29 441 549)	(66 677 391)	(66 677 391)	(56 860 491)	-14.72%
Net Cash from/(used) Investing Activities		(37 235 842)	(29 006 901)	(66 242 743)	(66 242 743)	(56 425 844)	-14.82%
CASH FLOW FROM FINANCING ACTIVITIES							
Receipts							
Increase/(Decrease) in Consumer Deposits			468 191	468 191	468 191	-	-100.00%
Payments							
Repayment of Borrowing		(10 100 789)	(9 899 211)	(20 000 000)	(20 000 000)	(32 825 330)	64.13%
Net Cash from/(used) Financing Activities		(10 100 789)	(9 431 020)	(19 531 809)	(19 531 809)	(32 825 330)	68.06%
NET INCREASE/(DECREASE) IN CASH HELD		(2 018 442)	(30 579 187)	(32 597 628)	(32 597 628)	43 113 198	-232.26%
Cash and Cash Equivalents at the year begin:		29 924 198	42 891 754	72 815 951	72 815 951	27 894 123	-61.69%
Cash and Cash Equivalents at the year end:	46.04	27 905 756	12 312 567	40 218 323	40 218 323	71 007 321	76.55%

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		2018 R	2017 R

2 PROPERTY, PLANT AND EQUIPMENT

See attached sheet page 39

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		2018 R	2017 R

2.1 Property, Plant and Equipment which is in the process of being constructed or developed:

Infrastructure Assets	47 579 980	63 002 353
Roads	-	26 444 010
Storm Water	1 702 182	58 371
Electricity	17 139 625	1 484 554
Water Supply	23 029 952	13 487 156
Sanitation	-	16 548 475
Solid Waste	5 708 221	4 979 787
Community Assets	134 716	
Total Property, Plant and Equipment under construction	47 714 696	63 002 353

	2018 R	2017 R

2.2 Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected:

Infrastructure Assets	53 532 961	53 532 961
Water Supply	53 532 961	53 532 961
Total	53 532 961	53 532 961

	2018 R	2017 R

2.3 Expenditure incurred to repair and maintain Property, Plant and Equipment:

Employee related costs	-	2 440 552
Inventory Consumed	7 854 255	5 084 725
Contracted Services	8 056 039	2 168 881
Operational Cost	11 746	6 575 995
Total Repairs and Maintenance	15 922 040	16 270 153

2.4 Impairment losses of Property, Plant and Equipment

Impairment losses on Property, Plant and Equipment recognised in Statement of Financial Performance are as follows:	2018 R	2017 R
Community Assets	-	667 327
Correction of error as per note 40.01	-	(667 327)
Other	-	8 957 652
Correction of error as per note 40.01	-	(8 842 944)
Total Impairment Losses	-	114 708

	2018 R	2017 R

2.5 Reversal of Impairment losses of Property, Plant and Equipment

Reversal of Impairment losses on Property, Plant and Equipment recognised in statement of financial performance are as follows:

Other	114 708	-
Total Reversal of Impairment losses	114 708	-

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		2018 R	2017 R
2.6	**Contractual commitments for acquisition of Property, Plant and Equipment:**		
	Approved and contracted for:	13 425 089	6 530 248
	Infrastructure	13 425 089	6 530 248
	Total	**13 425 089**	**6 530 248**

	2018 R	2017 R
This expenditure will be financed from:		
Government Grants	13 425 089	6 530 248
Total	**13 425 089**	**6 530 248**

		2018 R	2017 R
3.	**INVESTMENT PROPERTY**		
	Net Carrying amount at 1 July	**68 037 193**	**69 688 649**
	Cost/Valuation	84 601 654	79 095 200
	Correction of Error - Note 40.01(p)	-	5 506 454
	Accumulated Depreciation	(16 564 460)	(14 624 703)
	Correction of Error - Note 40.01(q)	-	(288 302)
	Additions	130 752	
	Depreciation for the year	(1 651 455)	(259 640)
	Correction of Error - Note 40.01 (r)	-	(1 391 816)
	Impairment loss	-	(877 011)
	Correction of Error - Note 40.01(n)	-	877 011
	Net Carrying amount at 30 June	**66 516 491**	**68 037 193**
	Cost/Valuation	84 732 406	84 601 654
	Accumulated Depreciation	(18 215 916)	(16 564 460)

	2018 R	2017 R
There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.		
There are no contractual obligation to purchase, construct or develop investment property or for repairs, maintenance or enhancements.		
Estimate Fair Value of Investment Property at 30 June	66 516 491	68 037 193

		2018 R	2017 R
3.1	**Revenue from Investment Property**		
	Revenue derived from the rental of Investment Property	3 453 170	3 341 693

		Repairs and Maintenance	Repairs and Maintenance
3.2	**Operating Expenditure incurred on properties:**		
	Revenue Generating	254 543	143 588
	Improved Property	254 543	143 588
	Total Operating Expenditure	**254 543**	**143 588**

		2018 R	2017 R
4.	**INTANGIBLE ASSETS**		
	Net Carrying amount at 1 July	**421 384**	**283 209**
	Cost	1 578 627	1 319 756
	Accumulated Amortisation	(1 157 243)	(1 036 547)
	Additions	950 314	258 871
	Amortisation	(188 157)	(120 696)
	Net Carrying amount at 30 June	**1 183 541**	**421 384**
	Cost	2 528 942	1 578 627
	Accumulated Amortisation	(1 345 400)	(1 157 243)

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	2018 R	2017 R

4.1 Material Intangible Assets included in the carrying value:

Description	Remaining Amortisation Period	Carrying Value	
Software	5	1 183 541	421 384
		1 183 541	421 384

No intangible asset were assed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There age no intangible assets pledged as security for liabilities.

There are no contractual commitments for the acquisition of intangible assets.

	2018 R	2017 R
5. HERITAGE ASSETS		
Net Carrying amount at 1 July	**13 774 345**	**13 774 345**
Cost	13 774 345	13 774 345
Net Carrying amount at 30 June	**13 774 345**	**13 774 345**
Cost	13 774 345	13 774 345

There are no restrictions on the realisability of Heritage Assets or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop Heritage Assets or for repairs, maintenance or enhancements.

There are no Heritage Assets pledged as security for liabilities

There are no Heritage Assets that are used by the municipality for more than one purpose.

The following Heritage Assets were identified, but no value could be assigned:

Rust en Vrede Waterfall

The Rust & vrede Waterfall is engraved into the heart of the Swartberg Mountain. The Waterfall is situated on a scenic detour branching off the R328, 18km from Oudtshoorn on the way to the Cango Caves on erf 25. It is classified as a heritage asset controlled and owned by the Municipality.
From this waterfall, Oudtshoorn acquires its water supply which is carried by a pipeline, 35 km in length, to the town reservoir and the Raubenheimer Dam.

The Rust and Vrede Waterfall is an asset that was not purchased or contributed. It could not be reliably measured as this is not a manmade structure and no market value exists as this is a unique natural landmark. This asset lacks comparability to other assets in the municipality. The cash flow method could not be used to obtain a value, as it is impractical to place a value on a natural landmark.

Herrie's Stone, Meiringspoort, Oudtshoorn District

The Afrikaans writer, C J Langenhoven, chiselled the name of the well-known elephant 'Herrie', from his book 'Sonde met die Bure', on this rock in July 1929.
This has been declared as a Heritage Site.

This heritage asset's value could not be reliably measured as it was not purchased nor is there an active market for it and there is no alternative method for valuating this heritage asset.

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The following Heritage Assets were identified and measured in terms of GRAP:

Cango Caves		
This famous attraction is situated in the Cango ward 29 km north of Oudtshoorn and situated on erf 28. It is classified as a heritage asset and controlled by the Municipality. The entrance is in the face of a hill beside the Grobbelaar's River. The maxe of caves with their beautiful stalactite formations are most impressive. It is generally accepted that the caves were discovered in 1780 by a herdsman of a farmer called Van Zyl of Doornrivier, while he was looking for lost cattle.	11 796 645	11 796 645
CP Nel Museum Building		
The building reflects a late Victorian Colonial style of a classical building and dates from about 1909 and for some half a century served as a boys' school. In 1980 the building complex was declared a National Monument and is owned by the Municipality.	1 940 000	1 940 000
Mayoral Chains		
The municipality has two mayoral chains which are kept in a safe at the main building.	37 700	37 700

		2018 R	2017 R
5.1	**Expenditure incurred to repair and maintain Heritage Assets:**		
	Inventory Consumed	194 484	180 815
	Contracted Services	140 052	144 189
	Total Repairs and Maintenance	334 536	325 004

		2018 R	2017 R
6.	**CAPITALISED RESTORATION COST**		
	Net Carrying amount at 1 July	7 058 777	7 693 148
	Cost	11 527 893	11 527 893
	Accumulated Depreciation	(4 469 116)	(7 063 960)
	Correction of error note 40.1 (j)		3 229 215
	Movement	(634 371)	(634 371)
	Change in estimate		1 286 429
	Correction of error note 40.1 (zz)		(1 286 429)
	Depreciation for the year	(634 371)	(596 308)
	Correction of error note 40.1 (k)		(38 063)
	Net Carrying amount at 30 June	6 424 407	7 058 777
	Cost	11 527 893	11 527 893
	Accumulated Depreciation	(5 103 487)	(4 469 116)

		2018 R	2017 R
7.	**INVENTORY**		
	Maintenance Materials - At cost	1 236 173	1 419 578
	Water – at cost	441 923	287 126
	Provision for obsolete stock	-	(119 993)
	Total Inventory	1 678 095	1 586 711
	Provision for obsolete stock:		
	Maintenance materials not in use / unusable.	-	**119 993**

The municipality recognised only purification costs in respect of non-purchased purified water inventory.

		2018 R	2017 R
	Inventories recognised as an expense during the year:		
	Consumables	4 265 141	2 734 482
	Materials and supplies	8 360 926	4 285 634
	Total	12 626 068	7 020 115

No inventories were pledged as security for liabilities.

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		2018 R	2017 R
8.	**RECEIVABLES FROM EXCHANGE TRANSACTIONS**		
	Electricity	19 972 192	19 526 342
	Water	25 396 161	25 932 975
	Property Rentals	590	589
	Waste Management	11 470 886	13 428 532
	Waste Water Management	13 479 941	14 670 153
	Units not billed	6 947 073	5 246 567
	Water and Sanitation Service Authority	-	-
	Klein Karoo Water Scheme	3 362 475	5 526 402
	Legal Fees Recovery	727 184	1 225 968
	Sundry municipal charges	5 816 667	6 075 452
	Prepaid expenditure	17 529	25 124
	Other	25 953	25 953
	Correction of error note 40.1 (e)	-	318 882
	Total: Receivables from exchange transactions (before provision)	**87 216 651**	**92 002 939**
	Less: Provision for Debt Impairment	(47 777 162)	(51 880 376)
	Total: Receivables from exchange transactions (after provision)	**39 439 489**	**40 122 563**

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

The fair value of receivables approximate their carrying value.

	2018 R	2017 R
(Electricity): Ageing		
Current (0 - 30 days)	10 969 945	12 256 911
31 - 60 Days	1 038 355	471 752
61 - 90 Days	544 730	379 545
+ 90 Days	7 419 163	6 418 134
Total	**19 972 192**	**19 526 342**

	2018 R	2017 R
(Water): Ageing		
Current (0 - 30 days)	4 931 866	5 805 883
31 - 60 Days	1 262 767	892 343
61 - 90 Days	1 274 626	858 311
+ 90 Days	17 926 902	18 376 437
Total	**25 396 161**	**25 932 975**

	2018 R	2017 R
(Property Rentals): Ageing		
Current (0 - 30 days)		
31 - 60 Days		
61 - 90 Days		
+ 90 Days	590	589
Total	**590**	**589**

	2018 R	2017 R
(Waste Management): Ageing		
Current (0 - 30 days)	1 463 600	1 595 432
31 - 60 Days	554 677	339 414
61 - 90 Days	260 687	298 681
+ 90 Days	9 191 921	11 195 005
Total	**11 470 886**	**13 428 532**

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	2018 R	2017 R
(Waste Water Management): Ageing		
Current (0 - 30 days)	2 277 087	2 242 933
31 - 60 Days	638 687	379 542
61 - 90 Days	310 572	334 654
+ 90 Days	10 253 595	11 713 025
Total	13 479 941	14 670 153

	2018 R	2017 R
(Units not billed Water and Electricity): Ageing		
Current (0 - 30 days)	6 947 073	5 246 567
Total	6 947 073	5 246 567

	2018 R	2017 R
(Klein Karoo Water Scheme): Ageing		
Current (0 - 30 days)	437 093	496 621
31 - 60 Days	240 274	300 729
61 - 90 Days	146 077	129 205
+ 90 Days	2 539 032	4 599 846
Total	3 362 475	5 526 402

	2018 R	2017 R
(Legal Fees Recovery): Ageing		
+ 90 Days	727 184	1 225 968
Total	727 184	1 225 968

	2018	2017
(Sundry municipal charges): Ageing		
Current (0 - 30 days)	568 243	990 641
31 - 60 Days	387 105	72 063
61 - 90 Days	139 972	82 266
+ 90 Days	4 721 347	4 930 483
Total	5 816 667	6 075 452

	2018	2017
(Prepaid expenditure): Ageing		
Current (0 - 30 days)	17 529	25 124
Total	17 529	25 124

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	2018	2017
(Other): Ageing		
Current (0 - 30 days)	-	-
31 - 60 Days	289	-
61 - 90 Days	-	-
+ 90 Days	25 664	25 953
Total	25 953	25 953

	R	R
(Total): Ageing		
Current (0 - 30 days)	27 612 438	28 660 111
31 - 60 Days	4 122 153	2 455 843
61 - 90 Days	2 676 664	2 082 663
+ 90 Days	52 805 397	58 485 440
Total	87 216 651	91 684 057

Summary of Debtors by Customer Classification

	Other	Residential	Industrial/ Commercial	National and Provincial Government
30 June 2018				
Current (0 - 30 days)	592 871	18 175 460	5 831 114	2 995 463
31 - 60 Days	268 365	3 173 860	642 116	37 812
61 - 90 Days	174 557	2 262 525	210 301	29 281
+ 90 Days	4 756 335	45 189 554	2 423 641	435 877
Total debtors by customer classification	5 792 127	68 801 400	9 107 173	3 498 432

Summary of Debtors by Customer Classification

	Other	Residential	Industrial/ Commercial	National and Provincial Government
30 June 2017				
Current (0 - 30 days)	6 143 829	12 692 289	7 215 245	2 608 746
31 - 60 Days	284 827	1 921 402.27	177 807	71 806
61 - 90 Days	257 969	1 638 978	117 330	68 385
+ 90 Days	6 348 404	49 678 783	2 103 731	354 523
Total debtors by customer classification	13 035 030	65 931 453	9 614 112	3 103 460

	2018 R	2017 R
Reconciliation of Provision for Debt Impairment		
Balance at beginning of year	51 880 376	60 280 062
Contribution to provision	19 532 892	2 653 684
Bad Debts Written Off	(23 636 106)	(11 053 371)
Reversal of provision		
Balance at end of year	47 777 162	51 880 376

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	2018 R	2017 R
The total amount of this provision is R47 777 162 and consist of:		
Services	47 777 162	51 880 376
Other Debtors	-	-
Total Provision for Debt Impairment on Receivables from exchange transactions	**47 777 162**	**51 880 376**

	2018 R	2017 R
Ageing of amounts past due but not impaired:		
Service Debtors	11 827 051	11 143 570
	11 827 051	**11 143 570**

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

		2018 R	2017 R
9.	**RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**		
Taxes - Rates		20 036 542	17 736 747
Fines		11 703 633	15 393 280
Correction of error note 40.01(ccc)			3 407 100
Correction of error note 40.01(ddd)			2 690 050
Correction of error note 40.01(eee)			(1 244 870)
Correction of error note 40.01(fff)			(567 290)
Correction of error note 40.01(iii)			(413 510)
Correction of error note 40.01(jjj)			(564 980)
Suspense Debtors		1 195 159	1 778 809
Correction of error note 40.01(c)		-	(36 574)
		32 935 334	38 178 762
Less:	Provision for Debt Impairment	(22 098 155)	(26 080 962)
Total Receivables from non-exchange transactions		**10 837 179**	**12 097 800**

The fair value of other receivables approximate their carrying value.

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

	2018 R	2017 R
(Rates): Ageing		
Current (0 - 30 days)	5 742 698	4 570 734
31 - 60 Days	1 060 205	409 270
61 - 90 Days	717 441	340 274
+ 90 Days	12 516 199	12 416 469
Total	**20 036 542**	**17 736 747**

	2018 R	2017 R
(Fines):Ageing		
Current (0 - 30 days)	99 400	719 992
31 - 60 Days	400 300	1 400 592
61 - 90 Days	292 750	1 116 897
+ 90 Days	10 911 183	15 462 298
	11 703 633	**18 699 780**

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Summary of Debtors (Rates and Other) by Customer Classification

	Other	Residential	Industrial/ Commercial	National and Provincial Government
30 June 2018				
Current (0 - 30 days)	34 847	5 376 087	314 501	17 263
31 - 60 Days	4 411	1 012 895	30 323	12 577
61 - 90 Days	2 021	681 885	20 350	13 184
+ 90 Days	12 931 890	12 035 637	383 945	63 517
Total debtors by customer classification	12 973 168	19 106 504	749 119	106 541

Summary of Debtors (Rates and Other) by Customer Classification

	Other	Residential	Industrial/ Commercial	National and Provincial Government
30 June 2017				
Current (0 - 30 days)	942 625	4 069 772	170 980	79 267
31 - 60 Days	1 342 764	347 369	6 555	83
61 - 90 Days	1 080 818	287 732	5 913	-
+ 90 Days	18 463 063	9 946 077	265 343	1 170 402
Total debtors by customer classification	21 829 270	14 650 950	448 790	1 249 752

Reconciliation of Provision for Debt Impairment

	2018 R	2017 R
Balance at beginning of year	26 080 962	22 080 758
Contribution to provision	8 504 071	13 214 212
Correction of error note 40.01 (ggg)	-	1 332 387
Correction of error note 40.01(hhh)	-	1 443 475
Bad Debts Written Off	(12 486 878)	(10 177 710)
Correction of error note 40.01(fff)	-	(567 290)
Correction of error note 40.01(eee)		(1 244 870)
Reversal of provision		
Balance at end of year	22 098 155	26 080 962

	2018 R	2017 R
The total amount of this provision is R22 098 155 and consist of:		
Rates	11 725 113	10 436 315
Fines	9 675 074	15 263 444
Other	697 968	381 203
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	22 098 155	26 080 962

	2018 R	2017 R
Ageing of amounts past due but not impaired:		
Rates	2 568 731	2 729 698
Fines	1 929 159	2 716 343
	4 497 891	5 446 042

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

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		2018 R	2017 R
10	**OPERATING LEASE ARRANGEMENTS**		
10.1	**The Municipality as Lessor**		
	Operating Lease Asset	3 066	8 181
	Reconciliation		
	Balance at the beginning of the year	8 181	32 067
	Movement during the year	(5 115)	(23 886)
	Balance at the end of the year	3 066	8 181

	2018 R	2017 R
At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
Up to 1 Year	59 913	75 121
1 to 5 Years	7 503	67 417
More than 5 Years	-	-
Total Operating Lease Arrangements	67 417	142 537

This operating lease income determined from contracts that have a specific condition income and does not include leases which has a undetermined conditional income.

The leases are in respect of land and buildings being leased out for several purposes.

		2018 R	2017 R
11.	**CASH AND CASH EQUIVALENTS**		
11.1	**Cash and Cash Equivalents**		
	Current Accounts	-	-
	Call Deposits and Investments	63 510 176	23 517 914
	Primary Bank Account	7 459 285	4 338 394
	Balance previously reported		4 260 215
	Correction of error as per note 40.01(aaa)		78 179
	Cash On-hand	37 860	37 815
	Total Cash and Cash Equivalents - Assets	71 007 321	27 894 123

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

Call Investments Deposits to an amount of R9 695 215 are held to fund the Unspent Conditional Grants (2018: R9 695 215).

	2018 R	2017 R
The municipality has the following bank accounts:		
Primary Accounts		
ABSA Bank-Account Number 4085827851 (Primary Bank Account)	5 619 053	2 516 131
ABSA Bank-Account Number 4085372149 (Primary Bank Account)	1 469 079	1 516 478
ABSA Bank-Acc. 4085866467 (Primary Bank Account - CAVES)	256 301	151 764
ABSA Bank-Account Number 4085866522 (KKLWS)	11 839	7 077
ABSA Bank-Account Number 4085866271 (Traffic Account)	103 013	146 944
	7 459 285	4 338 394

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	2018 R	2017 R
Call Deposits and Investments		
Nedbank Account no 03 / 7881001143/ 129		4 250 554
Nedbank Account no 03 / 7881019344 / 29	97 123	91 028
Nedbank Account no 03 / 7881001143 / 130	-	536 077
Nedbank Account no 03 / 7881001143 / 131	-	2 037 092
Nedbank Account no 03 / 7881001143 / 137	-	2 145 136
Nedbank Account no 03/7881001143-161	6 605 738	-
Nedbank Account no 03/7881001143/176	31 795	-
Nedbank Account no 03/7881001143/176	32 334	-
Nedbank Account no 03/7881001143/177	573 867	
Nedbank Account no 03/7881001143/178	2 296 354	-
Nedbank Account no 03/7881001143/179	2 180 694	-
Nedbank Account no 03/7881001143/180	4 569 159	-
Standard Account no 288835379001	-	1 405 191
Standard Account no 288835379002	-	1 493 261
Standard Account no 288835379003	-	2 120 646
Standard Account no 288835379005	-	2 082 121
Standard Account no 288835379009	6 163 786	-
Standard Account no 288835379010	15 946 505	-
Investec account no 1400-171058-500	16 415 115	7 327 592
Investec account no 1400-171058 501	8 597 713	-
ABSA Account no 2059299848	-	7 848
ABSA Account no 2065374806	-	17 348
ABSA Account no 55975057735	-	4 020
	63 510 182	23 517 914

Details of current accounts are as follow:

	2018 R	2017 R
ABSA Bank-Account Number 4085827851 (Primary Bank Account)		
Cash book balance at beginning of year	2 516 131	1 128 563
Cash book balance at end of year	5 619 053	2 516 131
Bank statement balance at beginning of year	2 442 044	1 186 068
Bank statement balance at end of year	5 619 053	2 442 044

	2018 R	2017 R
ABSA Bank-Account Number 4085372149 (Primary Bank Account)		
Cash book balance at beginning of year	1 516 478	500 673
Cash book balance at end of year	1 469 079	1 516 478
Bank statement balance at beginning of year	50 000	50 000
Bank statement balance at end of year	50 000	50 000

	2018 R	2017 R
ABSA Bank-Acc. 4085866467 (Primary Bank Account - CAVES)		
Cash book balance at beginning of year	151 764	1 411 504
Cash book balance at end of year	256 301	151 764
Bank statement balance at beginning of year	151 764	1 411 504
Bank statement balance at end of year	203 501	151 764

	2018 R	2017 R
ABSA Bank-Account Number 4085866271 (Traffic Account)		
Cash book balance at beginning of year	146 944	150 393
Cash book balance at end of year	103 013	146 944
Bank statement balance at beginning of year	146 944	150 393
Bank statement balance at end of year	103 013	146 944
ABSA Bank-Account Number 4085866522 (KKLWS)		
Cash book balance at beginning of year	7 077	203 422
Cash book balance at end of year	11 839	7 077
Bank statement balance at beginning of year	7 707	209 965
Bank statement balance at end of year	11 839	7 707

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		2018 R	2017 R
12	**LONG TERM BORROWINGS**		
	Annuity Loans - At amortised cost	50 787 593	59 717 075
	Agreements with suppliers - At amortised cost	-	18 834 732
	Financial Leases	9 751 699	13 621 090
		60 539 292	**92 172 897**
	Less: Current Portion transferred to Current Liabilities	**(15 676 013)**	**(31 781 484)**
	Annuity Loans - At amortised cost	(9 844 931)	(8 929 482)
	Agreements with suppliers - At amortised cost	-	(17 952 411)
	Capitalised Lease Liability - At amortised cost	(5 831 082)	(4 899 591)
	Total Long-term Borrowings - At amortised cost using the effective interest rate method	**44 863 279**	**60 391 413**

		2018 R Minimum payments	2017 R Minimum payments
12.1	The obligations under annuity loans are scheduled below:		
	Amounts payable under annuity loans:		
	Payable within one year	14 998 075	15 096 430
	Payable within two to five years	48 181 567	60 504 106
	Payable after five years	2 808 790	5 484 326
		65 988 432	81 084 862
	Less: Future finance obligations	(15 200 840)	(21 367 787)
	Present value of annuity loans obligations	**50 787 593**	**59 717 075**

		2018 R Minimum payments	2017 R Minimum payments
12.2	The obligations under agreements with suppliers are scheduled below:		
	Amounts payable under agreements with suppliers:		
	Payable within one year	-	18 419 967
	Payable within two to five years	-	891 807
		-	19 311 774
	Less: Future finance obligations	-	(477 041)
	Present value of agreements with suppliers	**-**	**18 834 732**

		2018 R Minimum payments	2017 R Minimum payments
12.3	The obligations under financial vehicle leasing are scheduled below:		
	Amounts payable under hire purchases:		
	Payable within one year	6 684 318	6 094 702
	Payable within two to five years	3 955 427	9 514 734
		10 639 746	15 609 436
	Less: Future finance obligations	(890 525)	(1 988 338)
	Present value of hire purchases obligations	**9 749 221**	**13 621 098**

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

		2018 R	2017 R
13	**NON-CURRENT PROVISIONS**		
	Provision for Rehabilitation of Landfill-sites	58 478 687	54 260 486
	Total Non-current Provisions	**58 478 687**	**54 260 486**

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		2018 R	2017 R
13.1	***Landfill Sites***		
	Balance 1 July	54 260 486	47 253 522
	Contribution for the year	4 218 202	5 720 535
	Change in estimate		1 286 429
	Total provision 30 June	**58 478 687**	**54 260 486**
	Less: Transfer of Current Portion to Current Provisions	-	-
	Balance 30 June	**58 478 687**	**54 260 486**

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows

	De Rust (Closed)	De Rust(Operational)	Dysselsdorp(Closed)	Dysselsdorp(Operational)	Oudtshoorn
Rehabilitation Area(m²)	5223	5015	2 253.000	6 479	107 824
Costs of Rehabilitation and Closure:					
Preliminary and General	334 128	326 564	187 021	412 665	4 478 994
Site Clearance and Preparation	15 408	14 794	6 646	19 113	318 081
Storm Water Control Measures	465 933	471 628	321 777	676 220	3 187 070
Capping	1 133 997	1 089 579	491 849	1 417 254	24 636 321
Leachate Management	171 874	173 660	120 513	186 165	1 155 822
Fencing	599 417	582 938	395 080	648 853	2 695 520
Other:					
Environmental Authorisation (Closure Licence)	-	419 800	-	419 800	419 800
Technical ROD	88 655	88 655	88 655	88 655	88 655
Install Groundwater Monitoring Boreholes	237 376	246 401	246 401	246 401	-
Landscape Architects	117 810	117 810	117 810	117 810	117 810
Water use licence	17 428	17 428	17 428	17 428	17 428
Contingencies	272 076	265 916	152 289	336 027	3 647 181
Engineering: Professional Fees	224 462	219 381	125 638	277 222	3 008 924
Site Supervision (Engineering Representative)	538 843	538 843	509 938	566 597	1 972 445
Site Supervision (Environmental Control Officer)	64 969	64 969	54 518	60 576	224 131
Total(Exl VAT)	4 282 374	4 638 366	2 835 562	5 490 787	45 968 181
Cost per rehab (m2)	819.91	924.9	1258.57	847	426
Estimated construction period (weeks)	10	10	9	10	37

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. Total cost and estimated date of decommission of the sites are as follows:

Location	Estimated decommission date	2018 R	2017 R
De Rust (Closed)	2014	4 282 374	3 749 268
De Rust(Operational)	2025	4 638 366	4 116 353
Dysselsdorp(Closed)	2013	2 835 562	2 381 193
Dysselsdorp(Operational)	2024	5 490 787	4 490 263
Oudtshoorn	2055	45 968 181	44 251 563
		63 215 270	58 988 640

		2018 R	2017 R
14.	**NON-CURRENT EMPLOYEE BENEFITS**		
	Provision for Post Retirement Health Care Benefits	108 176 479	104 306 841
	Provision for Ex-Gratia Pension Benefits	-	-
	Provision for Long Service Awards	7 188 070	7 019 388
	Total Non-current Employee Benefits	**115 364 549**	**111 326 229**

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	2018 R	2017 R
Post Retirement Health Care Benefits		
Balance 1 July	108 186 409	108 665 673
Contribution for the year	4 823 488	(3 668 793)
Interest Cost	10 279 690	9 668 899
Expenditure for the year	(4 051 805)	5 222 974
Actuarial Loss/(Gain)	(6 766 799)	(11 702 344)
Total provision 30 June	**112 470 983**	**108 186 409**
Less: Transfer of Current Portion to Current Provisions - Note 8	(4 294 504)	(3 879 568)
Balance 30 June	**108 176 479**	**104 306 841**

	2018 R	2017 R
Long Service Awards		
Balance 1 July	8 051 386	7 836 276
Contribution for the year	633 996	(518 809)
Interest Cost	633 343	641 577
Expenditure for the year	(1 105 999)	661 900
Actuarial Loss/(Gain)	401 558	(569 558)
Total provision 30 June	**8 614 284**	**8 051 386**
Less: Transfer of Current Portion to Current Provisions - Note 8	(1 426 214)	(1 031 998)
Balance 30 June	**7 188 070**	**7 019 388**

	2018 R	2017 R
14.1 Provision for Post Retirement Health Care Benefits		
The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:		
In-service (employee) members	302	289
In-service (employee) non-members	377	268
Continuation members (e.g. Retirees, widows, orphans)	96	93
Total Members	**775**	**650**

	2018 R	2017 R
The liability in respect of past service has been estimated to be as follows:		
In-service members	45 926	46 421
In-service non-members	12 625	11 261
Continuation members	53 920	50 504
Total Liability	**112 471**	**108 186**

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2016 R	2015 R	2014 R
In-service members	47 218	94 632	74 716
In-service non-members	11 964	-	-
Continuation members	49 484	-	-
Total Liability	108 666	94 632	74 716

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;
LA Health;
Hosmed;
Samwumed; and
Keyhealth.

The Current-service Cost for the ensuing year is estimated to be R4 832 488, whereas the Interest Cost for the next year is estimated to be R5 475 886.

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Key actuarial assumptions used:	2018 %	2017 %
i) Rate of interest		
Discount rate	9.57%	9.67%
Health Care Cost Inflation Rate	7.36%	7.95%
Net Effective Discount Rate	20.60%	1.59%

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

iii) Normal retirement age

The average retirement age for employees of the municipality is 60 years.

iv) Expected rate of salary increases

2017/2018 - Average CPI (Feb 2016 – Jan 2017) + 1 per cent

The three-year Salary and Wage Collective Agreement ends on 30 June 2018.

The amounts recognised in the Statement of Financial Position are as follows:	2018 R	2017 R
Present value of fund obligations	112 470 983	108 186 409
Fair value of plan assets	-	-
	112 470 983	108 186 409
Unrecognised past service cost		-
Unrecognised actuarial gains/(losses)		-
Present Value of unfunded obligations		-
Net liability/(asset)	112 470 983	108 186 409

Reconciliation of present value of fund obligation:	2018 R	2017 R
Present value of fund obligation at the beginning of the year	108 186 409	108 665 673
Total expenses	11 051 373	11 223 080
Current service cost	4 823 488	(3 668 793)
Interest Cost	10 279 690	9 668 899
Benefits Paid	(4 051 805)	5 222 974
Actuarial (gains)/losses	(6 766 799)	(11 702 344)
Present value of fund obligation at the end of the year	112 470 983	108 186 409

Sensitivity Analysis on the Accrued Liability on 30 June 2018

	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)
Assumption			
Central Assumptions	58 551	53 920	112 471

The effect of movements in the assumptions are as follows:

	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Assumption					
Health care inflation	+1%	70 386	59 315	129 701	15%
Health care inflation	-1%	49 118	49 246	98 365	-13%
Discount Rate	+1%	49 364	49 373	98 737	-12%
Discount Rate	-1%	70 238	59 250	129 489	15%
Post-retirement mortality	-1 yr	60 250	55 872	116 121	3%
Average retirement age	-1 yr	63 824	53 920	117 744	5%
Withdrawal Rate	-10%	49 453	53 920	103 373	-8%

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Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2019

	Current Service Cost (R)	Interest Cost (R)	Total (R)
Assumption			
Central Assumptions	5 475 900	10 562 700	16 038 600

The effect of movements in the assumptions are as follows:

	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Assumption					
Health care inflation	+1%	6 712 800	12 210 600	18 923 400	18%
Health care inflation	-1%	4 503 800	9 213 700	13 717 500	-14%
Discount Rate	+1%	4 570 300	10 215 200	14 785 500	-8%
Discount Rate	-1%	6 636 100	10 916 900	17 553 000	9%
Post-retirement mortality	-1 yr	5 633 900	10 912 000	16 545 900	3%
Average retirement age	-1 yr	5 961 300	11 067 300	17 028 600	6%
Withdrawal Rate	-10%	4 529 900	9 692 000	14 221 900	-11%

	2018 R	2017 R
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	(6 766 799)	(11 702 344)
Assets: Gain / (loss)	-	-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2016 Rm	2015 Rm	2014 Rm
Liabilities: (Gain) / loss	3 390	(1 156)	(4 274)
Assets: Gain / (loss)			

	2018 R	2017 R
14.2 Provision for Long Service Bonuses		

The Long Service Bonus plans are defined benefit plans. As at year end, 679 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R633 996 whereas the Interest Cost for the next year is estimated to be R671 250.

	2018 %	2017 %
Key actuarial assumptions used:		
i) Rate of Interest		
Discount rate	8.48%	8.39%
General Salary Inflation (long-term)	6.10%	6.21%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	2.24%	2.05%

	2018 R	2017 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	8 614 284	8 051 386
Fair value of plan assets	-	-
	8 614 284	8 051 386
Net liability/(asset)	**8 614 284**	**8 051 386**

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	2018 R	2017 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	8 051 386	7 836 276
Total expenses	161 340	784 668
Current service cost	633 996	661 900
Interest Cost	633 343	641 577
Benefits Paid	(1 105 999)	(518 809)
Actuarial (gains)/losses	401 558	(569 558)
Present value of fund obligation at the end of the year	8 614 284	8 051 386

Sensitivity Analysis on the Accrued Liability on 30 June 2018

Assumption	Change	Liability (Rm)	% change
		8 614	
Central assumptions			
General salary inflation	+1%	9 112	6%
General salary inflation	-1%	8 160	-5%
Discount rate	+1%	8 135	-6%
Discount rate	-1%	9 149	6%
Average retirement age	-2 yrs	7 196	-16%
Average retirement age	2 yrs	9 896	15%
Withdrawal rates	-50%	10 111	17%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2019

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	700 300	671 300	1 371 600

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
General salary inflation	+1%	755 300	713 500	1 468 800	7%
General salary inflation	-1%	651 000	632 700	1 283 700	-6
Discount rate	+1%	655 200	705 200	1 360 400	-1%
Discount rate	-1%	751 400	632 000	1 383 400	1%
Average retirement age	-2 yrs	595 600	551 800	1 147 400	-16%
Average retirement age	2 yrs	801 800	780 000	1 581 800	15%
Withdrawal Rate	-50%	920 200	798 200	1 718 400	25%

	2018 Rm	2017 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	401 558	569 558
Assets: Gain / (loss)		

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2016 Rm	2015 Rm	2014 Rm
Liabilities: (Gain) / loss	(70 267)	713 251	250 911
Assets: Gain / (loss)			

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14.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

CAPE JOINT PENSION FUND

The contribution rate payable is 9%, by the members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2015 revealed that the fund has a funding level of 153,1% (30 June 2014 - 101,7%).

	2018 R	2017 R
Contributions paid recognised in the Statement of Financial Performance	-	-

CONSOLIDATED RETIREMENT FUND

The contribution rate paid by the members (9,0%) and Council (18,0%). The last actuarial valuation performed for the year ended 30 June 2016 revealed that the fund is in a sound financial position with a funding level of 100,6% (30 June 2015 - 100,4%).

	2018 R	2017 R
Contributions paid recognised in the Statement of Financial Performance	20 194 963.30	16 501 307

DEFINED CONTRIBUTION FUNDS

Council contribute does not contribute to Government Employees Pension Fund, Municipal Council Pension Fund, IMATU Retirement Fund and SAMWU National Provident Fund which are defined contribution funds.

15. CONSUMER DEPOSITS

	2018 R	2017 R
Electricity	3 892 019	3 780 939
Rental Properties	124 903	103 897
Water	4 391 288	4 022 251
Building Plans	795 518	575 726
Total Consumer Deposits	9 203 729	8 482 812

16. CURRENT EMPLOYEE BENEFITS

	2018 R	2017 R
Performance Bonuses	876 921	364 245
Staff Bonuses	5 090 814	4 049 364
Staff Leave	10 365 421	9 369 282
Other	1 045	1 067
Accrued overtime and subsistence payments	-	933 786
Current Portion of Non-Current Provisions	5 720 718	4 911 566
Current Portion of Post Retirement Benefits - Note 14	4 294 504	3 879 568
Current Portion of Long-Service Provisions - Note 14	1 426 214	1 031 998
Total Current Employee Benefits	22 054 918	19 629 311

The movement in current employee benefits are reconciled as follows:

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		2018 R	2017 R
16.1	***Performance Bonuses***		
	Balance at beginning of year	364 246	59 456
	Contribution to current portion	683 376	304 790
	Expenditure incurred	(170 700)	-
	Balance at end of year	**876 922**	**364 246**

Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council.

		2018 R	2017 R
16.2	***Staff Bonuses***		
	Balance at beginning of year	4 049 364	3 813 463
	Contribution to current portion	9 154 805	7 548 239
	Expenditure incurred	(8 113 355)	(7 312 339)
	Balance at end of year	**5 090 813**	**4 049 364**

Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

		2018 R	2017 R
16.3	***Staff Leave***		
	Balance at beginning of year	9 369 282	10 709 588
	Contribution to current portion	2 197 514	(688 153)
	Expenditure incurred	(1 197 857)	(652 153)
	Balance at end of year	**10 368 939**	**9 369 282**

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

		2018 R	2017 R
17.	**TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**		
	Trade Payables	43 396 116	34 067 896
	Correction of error note 40.01(b)	-	(1 970 765)
	Correction of error note 40.01(d)	-	634 384
	Correction of error note 40.01(f)	-	(186 964)
	Correction of error note 40.01(i)	-	(407 531)
	Pre-paid electricity	421 515	218 315
	Payments received in advance	4 265 019	3 649 351
	Control, Clearing and Interface Accounts	684 564	-
	Pensioner deposits	-	29 216
	Unallocated funds debtors	283 503	240 085
	Sundry Deposits	8 730	-
	Advance Receipts	-	61 236
	Retentions	1 571 315	1 762 211
	Total Trade Payables	**50 630 762**	**38 097 433**

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

Sundry deposits include Hall, Builders and Housing Deposits.

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18. UNSPENT TRANSFERS AND SUBSIDIES

	2018 R	2017 R
Unspent Transfers and Subsidies	9 695 218	10 187 510
National Government Grants	1 793 399	4 614 062
Correction of error note 40.1(a)	-	348 889
Provincial Government Grants	7 901 819	5 224 559
Less: Unpaid Transfers and Subsidies	-	(2 685 184)
National Government Grants	-	(2 685 184)
Total Unspent Transfers and Subsidies	**9 695 218**	**7 502 326**

See appendix "E" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

19. TAXES

		2018 R	2017 R
19.1	VAT Payable	-	-
	VAT Output in Suspense	(11 452 611)	(11 448 633)
	Correction of error note 40.01 (g)	-	1 328 897
	Correction of error note 40.01(h)	-	1 710 256
	Total VAT Payable	**(11 452 611)**	**(8 409 480)**

		2018 R	2017 R
19.2	VAT Receivable	676 905	2 512 576
	VAT Input in Suspense	2 647 874	2 642 909
	Correction of error note 40.01(g)	-	242 535
	Correction of error note 40.01(h)	-	327 752
	Correction of error note 40.01(i)	-	(238 942)
	Total VAT Receivable	3 324 779	5 486 830
19.3	**Net VAT (Payable)/Receivable**	**(8 127 832)**	**(2 922 650)**

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

21. PROPERTY RATES

	2018 R	2017 R
Actual		
Rateable Land and Buildings	85 808 966	76 046 985
Business and Commercial Property	19 128 163	12 824 099
Farm Holdings	3 307 665	2 415 430
Formal and Informal Settlements	-	4 221 324
Public Benefit Organisations	158 192	188 773
Public Service Infrastructure Properties	10 636	10 855
Residential Properties	53 386 033	46 567 379
State-owned Properties	9 818 277	8 302 167
Other Categories	-	1 516 958
Less: Rebates	(3 818 914)	(5 088 712)
Total Property Rates	**81 990 053**	**70 958 273**

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	2018 R	2017 R
Valuations - 1 July 2017		
Rateable Land and Buildings	10 259 150 500	7 812 166 600
Business and Commercial Property	1 382 608 000	1 092 071 700
Churches	219 780 000	167 737 000
Municipal Properties	414 487 000	309 031 000
Pensioners	62 128 500	11 977 000
Public Benefit Organisations	77 830 000	69 421 000
Public Service Infrastructure Properties	10 164 500	10 951 600
Residential Properties	5 398 324 500	4 482 244 300
State-owned Properties	728 234 000	568 733 000
Agricultural Property	1 965 594 000	1 075 552 000
Other Categories	-	24 448 000
Less: Rebates	(2 889 150)	(3 285 980)
Total Assessment Rates	**10 256 261 350**	**7 808 880 620**

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2017. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

Basic Rate

Residential	1.003c/R	1.088c/R
Government	1.348c/R	1.459c/R
Commercial	1.587c/R	1.495c/R
Agricultural	0.175c/R	0.218c/R

Rates are levied annually and monthly. Monthly rates are payable by the 10th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate on outstanding monthly rates.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential - The first R15 000 on the valuation is exempted.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

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		2018 R	2017 R
22.	**GOVERNMENT GRANTS AND SUBSIDIES**		
	Unconditional	62 683 000	58 194 000
	Equitable Share	62 683 000	58 194 000
	Conditional	104 204 502	53 210 758
	Local Government Financial Management Grant (FMG)	-	1 475 000
	Local Government Financial Management Grant	1 550 000	-
	Integrated National Electrification Programm	6 000 076	6 136 451
	Municipal Infrastructure Grant	19 376 816	28 649 999
	Extended Public Works Program	2 911 000	2 448 000
	Electricity Demand Side Management Grants	-	880 802
	CDW operational support grant	13 720	62 988
	Library Services	5 338 000	4 944 795
	Integrating Housing Settlement Grant	49 789 985	848 552
	Emergency Housing Program	1 406 000	1 406 000
	Provincial Sport Grant	-	144 000
	Military Sport Academy	-	87 934
	Finance Management Support Grant	3 702 316	2 106 565
	Maintenance Main Road Subsidy	106 168	114 703
	Performance Management Grant	-	200 000
	Municipal Infrastructure and Building Repair Grant	-	178 139
	Municipal Capacity Building Grant	-	461 188
	Water Supply and Drought relief grant	-	970 000
	Municipal Service Delivery and Capacity Building grant	1 870 568	429 432
	Supply for Drought Relief Interventions	-	1 620 528
	Local Government Graduate Internship Grant	-	5 096
	Municipal Draught Support Grant	959 416	40 584
	Fire Services Capacity Building Grant	1 200 000	-
	Water Services Infrastructure Grant	9 820 587	-
	Thusong Centre Operational Grant	100 000	-
	Cango Caves Infrastructure Grant	59 850	-
	Total Government Grants and Subsidies	166 887 502	111 404 758

	2018 R	2017 R
Government Grants and Subsidies - Operating	113 150 212	74 588 619
Government Grants and Subsidies - Capital	53 737 290	36 816 136
Total Government Grants and Subsidies	166 887 502	111 404 755

	2018 R	2017 R
Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
Equitable share	62 683 000	58 194 000
Executive & Council	4 029 984	53 210 758
Municipal Manager	59 850	-
Corporate Services	236 036	-
Financial Services	4 311 150	-
Community And Public Safety	6 156 849	-
Technical Services	36 669 084	-
Human Settlement	51 195 985	-
Total Government Grants and Subsidies	165 341 939	111 404 758

Based on the allocations set out in the Division of Revenue Act (Dora), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.

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		2018 R	2017 R
22.1	**Equitable Share**		
	Grants received	62 683 000	57 849 000
	Repaid to National Revenue Fund	-	345 000
	Conditions met - Operating	(62 683 000)	(58 194 000)
	Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

		2018 R	2017 R
22.2	**Local Government Financial Management Grant (FMG)**		
	Opening balance	-	100 000
	Grants received	1 550 000	1 475 000
	Repaid to National Revenue Fund	-	(100 000)
	Conditions met - Operating	(1 550 000)	(1 375 000)
	Conditions met - Capital	-	(100 000)
	Conditions still to be met	-	-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

		2018 R	2017 R
22.3	**Water services Infrastructure Grant**		
	Opening balance	-	
	Grants received	10 000 000	
	Conditions met - Capital	(9 820 587)	
	Conditions still to be met	179 413	-

The Water Services Infrastructure Grant is mainly for the refurbishment and replacement of water infrastructure within the Dysselsdorp and De Rust area

		2018 R	2017 R
22.4	**Municipal Infrastructure Grant (MIG)**		
	Opening balance	(2 685 184)	5 406 815
	Grants received	22 062 000	20 756 000
	Repaid to National Revenue Fund	-	(198 000)
	Conditions met - Operating	(892 551)	(1 923 958)
	Conditions met - Capital	(18 484 265)	(28 726 041)
	Conditions still to be met	-	(2 685 184)

The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.

		2018 R	2017 R
22.5	**Integrated National Electrification Grant**		
	Opening balance	3 000 076	1 136 526
	Grants received	3 000 000	8 000 000
	Conditions met - Operating	(1 545 563)	
	Conditions met - Capital	(4 454 513)	(6 136 450)
	Conditions still to be met	0	3 000 076

The National Electrification Grant was used for electrical connections in previously disadvantaged areas.

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		2018 R	2017 R
22.6	**Extended Public Works Program**		
	Opening balance	-	-
	Grants received	2 911 000	2 448 000
	Conditions met - Operating	(2 911 000)	(2 448 000)
	Conditions still to be met	-	-

Job creation projects in previous disadvantage areas.

		2018 R	2017 R
22.7	**Finance Management Support Grant**		
	Opening balance	427 337	1 663 902
	Grants received	3 080 000	1 120 000
	Repaid to National Revenue Fund	(27 337)	(250 000)
	Conditions met - Operating	(718 849)	(1 998 971)
	Conditions met - Capital	(2 761 150)	(107 594)
	Conditions still to be met	0	427 337

The Financial Management Support Grant was received from Provincial Treasury to assist with the implementation of Risk management and the procurement of software.

		2018 R	2017 R
22.8	**Integrating Human Settlement Grant**		
	Opening balance	647 253	(314 636)
	Correction of Error note 40.1(a)	-	348 889
	Grants received	54 012 988	1 461 552
	Conditions met - Operating	(33 679 112)	(848 552)
	Conditions met - Capital	(16 110 873)	
	Conditions still to be met	4 870 256	647 253

The Integrated Human Settlement Grant was received from the Provincial Government and is utilised for the building of low cost

		2018 R	2017 R
22.9	**Electricity Demand Side Management Grants (EEDSM)**		
	Opening balance	-	927 802
	Repaid to National Revenue Fund	-	(47 000)
	Conditions met - Capital	-	(880 802)
	Conditions still to be met	-	-

The EEDSM grant was received to implement energy efficient retrofits within the municipal infrastructure.

		2018 R	2017 R
22.10	**Library Services**		
	Opening balance	-	-
	Grants received	5 338 000	4 944 795
	Conditions met - Operating	(5 279 631)	(4 944 795)
	Conditions met - Capital	(58 369)	-
	Conditions still to be met	0	-

		2018 R	2017 R
22.11	**Municipal Service Delivery and Capacity Building grant**		
	Opening balance	1 870 568	1 900 000
	Grants received	-	400 000
	Conditions met - Operating	-	(400 000)
	Conditions met - Capital	(1 870 568)	(29 432)
	Conditions still to be met	-	1 870 568

The grant was received to identify new water sources for De Rust, equipped and connect to existing bulk water system to augment the supply.

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		2018 R	2017 R
22.12	**Supply for Drought Relief Interventions**		
	Opening balance	379 472	2 000 000
	Repaid to National Revenue Fund	(379 472)	
	Conditions met - Capital	-	(1 620 528)
	Conditions still to be met	-	379 472

The grant was received to protect the revenue base of the municipality by ensuring water demands are met.

		2018 R	2017 R
22.13	**Regional Bulk Infrastructure Grant - Department of Water Affairs and Forestry Grant**		
	Opening balance	1 613 986	1 613 986
	Conditions still to be met	1 613 986	1 613 986

The grant was given to assist with the water shortage in the area.

		2018 R	2017 R
22.14	**Other Grants**		
	Opening balance	2 597 707	2 034 882
	Correction of Error note 40.01(a)		348 890
	Grants received	4 880 168	3 900 703
	Repaid to National Revenue Fund	(29 953)	(16 136)
	Conditions met - Operating	(3 890 505)	(2 455 343)
	Conditions met - Capital	(176 965)	(1 215 289)
	Conditions still to be met	3 380 452	2 597 707

		2018 R	2017 R
22.15	**Total Grants**		
	Opening balance	7 502 326	16 469 277
	Correction of Error note 40.1(a)	-	348 890
	Grants received	169 517 156	102 355 050
	Repaid to National Revenue Fund	(436 762)	(266 136)
	Conditions met - Operating	(113 150 211)	(74 588 619)
	Conditions met - Capital	(53 737 290)	(36 816 136)
	Conditions still to be met/(Grant expenditure to be recovered)	9 695 218	7 502 326

	2018 R	2017 R
Disclosed as follows:		
Unspent Conditional Government Grants and Receipts	9 695 218	10 187 510
Unpaid Conditional Government Grants and Receipts	-	(2 685 184)
Total	9 695 218	7 502 326

		2018 R	2017 R
23.	**SERVICE CHARGES**		
	Electricity	**214 893 433**	**210 156 386**
	Service Charges	220 152 316	214 495 923
	Less: Rebates	(5 258 882)	(4 339 536)
	Water	**59 189 531**	**54 718 571**
	Service Charges	69 118 399	63 302 977
	Less: Rebates	(9 928 868)	(8 584 407)
	Water Klein Karoo Rural Scheme	**4 540 578**	**5 458 392**
	Service Charges	4 540 578	5 458 392
	Less: Rebates	-	-

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Waste Management	**16 709 630**	**15 457 891**
Service Charges	23 373 482	21 046 408
Less: Rebates	(6 663 852)	(5 588 517)
Waste Water Management	**31 125 665**	**29 994 316**
Service Charges	37 615 295	35 619 187
Less: Rebates	(6 489 630)	(5 624 871)
Total Service Charges	**326 458 837**	**315 785 556**

Revenue Forgone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

		2018 R	2017 R
24.	**SALES OF GOODS AND RENDERING OF SERVICES**		
	Academic Services	1 823	920
	Advertisements	217 774	236 587
	Application Fees for Land Usage	51 540	34 802
	Building Plan Approval	557 862	442 133
	Camping Fees	216 857	269 314
	Cemetery and Burial	804 207	769 014
	Computer Services	52 593	49 854
	Encroachment Fees	89 035	89 247
	Entrance Fees	-	357 884
	Legal Fees Recovered	1 709 146	939 701
	Library Fees	837	1 096
	Parking Fees	68 090	84 561
	Photocopies and Faxes	7 604	32 074
	Sale of Goods	11 852	95 650
	Valuation Services	140 381	113 535
	Total Sales of Goods and Rendering of Services	**3 929 600**	**3 516 373**

		2018 R	2017 R
25.	**RENTAL FROM FIXED ASSETS**		
	Property, Plant and Equipment	3 453 170	3 341 693
	Total Rental from Fixed Assets	**3 453 170**	**3 341 693**

		2018 R	2017 R
26.	**INTEREST EARNED - EXTERNAL INVESTMENTS**		
	Bank	5 585 737	3 308 275
	Balance previously reported		3 230 096
	Correction of error as per note		78 179
	Total Interest Earned - External Investments	**5 585 737**	**3 308 275**

		2018 R	2017 R
27.	**INTEREST EARNED - EXCHANGE TRANSACTIONS**		
	Trade Receivables	6 949 384	6 390 851
	Total Interest Earned - Outstanding Receivables	**6 949 384**	**6 390 851**

		2018 R	2017 R
28.	**OPERATIONAL REVENUE**		
	Collection Charges	153 027	-
	Commission	-	365 776
	Incidental Cash Surpluses	189 928	2 419
	Merchandising, Jobbing and Contracts	64 070	162 547
	Registration Fees	303 219	289 869
	Request for Information	4 126	385
	Staff Recoveries	147 951	-
	Total Operational Revenue	**862 321**	**820 996**

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		2018 R	2017 R
29.	**EMPLOYEE RELATED COST**		
	Acting Allowance	1 152 490	520 524
	Contributions to Group Insurance	2 331 272	1 885 027
	Contributions to Workman's Compensation	1 265 174	190 065
	Housing Benefits and Allowance	1 371 028	1 636 097
	Leave payments	2 197 514	(54 636)
	Standby Allowance	1 815 397	1 414 085
	Shift Allowance	228 509	-
	Basic Salaries and Wages	131 169 659	115 671 328
	Pension and UIF Contributions	20 799 079	19 024 455
	Medical Aid Contributions	9 384 177	10 588 272
	Overtime	12 374 841	11 085 344
	Bonuses	10 002 382	7 329 739
	Motor Vehicle Allowance	4 292 903	3 729 655
	Cellphone Allowance	720 761	860 828
	Other benefits and allowances	157 339	102 120
	Contribution to Long Service awards	1 267 339	1 309 867
	Contribution to Post Employment Medical	15 103 178	11 222 224
		215 633 043	**186 514 992**
	Total Employee Related Costs	215 633 043	186 514 992

	KEY MANAGEMENT PERSONNEL	2018 R	2017 R

Key management personnel are all permanently employed except for the Municipal Manager and Acting Director: Human Settlement. The Municipal Manager is appointed on a 5 year contract, and the Acting Director Human Settlement is seconded from Provincial Government to Oudtshoorn Municipality through a memorandum of agreement. All permanent staff is entitled to post retirement benefits upon retirement.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Remuneration of the Municipal Manager - Mr Paulse		
Basic Salary	957 802	649 035
Pension and UIF Contributions	156 189	167 592
Medical Aid Contributions	58 065	-
Performance Bonus	42 788	-
Motor Vehicle Allowance	241 693	249 899
Cellphone Allowance	45 091	35 000
Other benefits and allowances	171 345	70 494
Payments in lieu of leave	54 007	-
Mr AA Paulse was appointment as Municipal Manager as from 01/12/2016 on a 5 year contract		
Total	1 726 981	1 172 019

	2018 R	2017 R
Remuneration of the Chief Financial Officer - Mr Lötter		
Basic Salary	857 345	632 677
Pension and UIF Contributions	1 785	37 167
Medical Aid Contributions	34 338	-
Performance Bonus	87 939	-
Motor Vehicle Allowance	197 564	190 905
Cellphone Allowance	45 091	35 000
Other benefits and allowances	147 989	65 855
Payments in lieu of leave	33 712	-
Mr F Lotter was appointed as Chief Financial Officer as from 01/11/2017		
Total	1 405 763	961 604

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	2018 R	2017 R
Remuneration of Director : Corporate Services - Mr Smit		
Basic Salary	923 863	576 556
Pension and UIF Contributions	168 080	70 998
Motor Vehicle Allowance	-	11 168
Cellphone Allowance	45 091	28 000
Acting Allowance	70 077	58 736
Other benefits and allowances	149 193	64 208
Payments in lieu of leave	33 712	-
Mr R Smit was appointed as Director: Corporate Services as from 01/12/2017		
Total	**1 390 015**	**809 666**

	2018 R	2017 R
Remuneration of Director : Technical Services - Mr Koch		
Basic Salary	1 090 158	934 764
Pension and UIF Contributions	1 785	25 315
Performance Bonus	14 990	-
Motor Vehicle Allowance	-	24 996
Cellphone Allowance	45 091	31 500
Housing Allowances	7 500	-
Other benefits and allowances	147 835	43 549
Mr C Koch was appointed as Director: Technical Services as from 04/06/2017		
Total	**1 307 358**	**1 060 124**

	2018 R	2017 R
Remuneration of Director : Community Services - Mr T Matthee		
Basic Salary	763 965	910 961
Pension and UIF Contributions	139 298	9 709
Medical Aid Contributions	48 509	3 564
Performance Bonus	24 983	-
Motor Vehicle Allowance	120 000	10 000
Cellphone Allowance	45 091	31 500
Other benefits and allowances	143 015	53 712
Payments in lieu of leave	44 146	23 803
Mr T Matthee was appointed as Director: Corporate Services as from 04/01/2017		
Total	**1 329 007**	**1 043 249**

Remuneration of Acting Director: Human Settlement - Ms S Simms		
Basic Salary	1 094 670	-
Pension and UIF Contributions	1 636	-
Cellphone Allowance	9 000	-
Housing Allowances	96 000	-
Ms S Simms is seconded from Provincial Government to be acting Director: Human Settlement. Provincial Government compensates the municipality for her remuneration through a memorandum of agreement annually.		
Total	**1 201 306**	**-**

		2018 R	2017 R
30.	**REMUNERATION OF COUNCILLORS**		
	Salaries	6 333 201	6 061 593
	Pension	635 476	433 664
	Travelling Allowance	2 078 839	2 061 461
	Telephone Allowance	851 339	735 605
	Medical Scheme	123 429	115 453
	Skills Development Levy	-	76 076
	Total Councillors' Remuneration	**10 022 284**	**9 483 852**

Remuneration paid to Councillors can be summarised as follow:

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	Salary	Travel Allowance	Other Allowances	Contributions	Total
Executive Mayor / Mayor	480 532	198 978	9 000	119 653	808 164
Executive Deputy-Mayor / Deputy-Mayor	430 308	159 183	44 400	55 120	689 011
Speaker	359 194	159 183	44 400	120 179	682 956
Executive Committee Members	2 066 445	560 431	175 739	230 508	3 033 123
Councillors	2 996 721	1 001 064	496 253	314 993	4 809 031
Total Councillors' Remuneration	**6 333 201**	**2 078 839**	**769 792**	**840 453**	**10 022 284**

In-kind Benefits

The Executive Mayor, Executive Deputy Mayor, Speaker, Chief Whip and Executive Committee Members are full-time Councillors. Each is provided with an office and shared secretarial support at the cost of the Municipality.

Certification by the Municipal Manager

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

		2018 R	2017 R
31.	**CONTRACTED SERVICES**		
	Outsourced Services	5 732 761	5 664 651
	Consultants and Professional Services	7 328 917	10 319 367
	Contractors	8 334 416	10 400 297
	Total Contracted Services	**21 396 094**	**26 384 315**

		2018 R	2017 R
32.	**DEPRECIATION AND AMORTISATION**		
	Property, Plant and Equipment	38 188 938	32 688 386
	Intangible Assets	188 157	120 696
	Capitalized Restoration Cost	634 371	634 371
	Investment Property	1 651 455	1 651 455
	Total Depreciation and Amortisation	**40 642 921**	**35 094 908**

		2018 R	2017 R
33.	**INTEREST, DIVIDENDS AND RENT ON LAND**		
	Long-term Borrowings	6 459 513	8 747 981
	Non-current Provisions	4 218 202	5 720 535
	Finance leases	1 190 204	204 957
	Payables	530 848	1 251
	Total Finance Costs	**12 398 767**	**14 674 724**

		2018 R	2017 R
34.	**BULK PURCHASES**		
	Electricity	147 403 643	143 807 660
	Water	233 597	2 900 966
	Total Bulk Purchases	**147 637 240**	**146 708 626**

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35. TRANSFERS AND SUBSIDIES

	2018 R	2017 R
Operational	2 697 142	3 021 673
Monetary Allocations	2 697 142	3 021 673
Bursaries Non Employee	313 500	-
Households	7 000	74 230
Non-profit Institutions	969 678	822 861
Provincial Government	1 406 964	2 124 582
Total Transfers and Subsidies	**2 697 142**	**3 021 673**

36. OPERATIONAL COST

	2018 R	2017 R
Advertising, Publicity and Marketing	1 700 130	976 650
Assets less than the Capitalisation Threshold	-	374 268
Bank Charges, Facility and Card Fees	2 271 303	2 276 248
Bursaries (Employees)	335 557	129 952
Cleaning Services	83 159	53 438
Commission	2 589 878	2 749 103
Courier and Delivery Services	30 490	23 602
Communication	3 656 218	3 251 068
Deeds	320 710	-
Deposits refunded	-	258 974
Drivers Licences and Permits	-	79 389
Entrance Fees	51 024	-
Entertainment	85 485	152 222
External Audit Fees	5 871 648	5 016 269
External Computer Service	3 356 261	2 409 113
Fines and Penalties	-	679
Full Time Union Representative	244 306	175 206
Hire Charges	3 043 621	5 047 860
Indigent Relief	671 983	513 268
Insurance Underwriting	1 825 351	1 639 106
Housing Top Structures	32 230 223	-
Land Alienation Costs	4 760	
Learnerships and Internships	824 008	986 695
Levies Paid - Water Resource Management Charges	154 697	510 260
Licences	525 898	682 662
Membership fees SALGA	2 151 861	2 260 641
Personnel Agency Fees [Personnel Recruitment Costs]	-	201 529
Printing, Publications and Books	1 500 954	1 869 448
Professional Bodies, Membership and Subscription	16 440	5 108
Registration Fees	1 711 970	737 342
Remuneration to Ward Committees	196 735	29 050
Resettlement Cost	117 705	29 809
Samples and Specimens	58 141	-
Servitudes and Land Surveys	-	240
Skills Development Fund Levy	1 730 512	1 427 603
Small Differences Tolerances	-	(3 165)
System Access and Information Fees	-	23 742
Transport Provided as Part of Departmental Activities	-	2 300
Travel Agency and Visa's	-	19 680
Travel and Subsistence	3 136 122	1 844 218
Uniform and Protective Clothing	738 361	215 464
Vehicle Tracking	486 351	1 165 008
Warrantees and Guarantees	-	3 340
Wet Fuel	4 552 062	4 473 097
Total Operational Costs	**76 273 922**	**41 610 489**

37. (IMPAIRMENT LOSS)/REVERSAL OF IMPAIRMENT LOSS OF RECEIVABLES

	2018 R	2017 R
Receivables from Exchange Transactions - Note 8	8 086 021	(2 655 574)
Receivables from Non-exchange Revenue - Note 9	-	(11 402 052)
Total (Impairment Loss)/ Reversal of Impairment Loss on Receivables	**8 086 021**	**(14 057 626)**

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		2018 R	2017 R
38.	**(IMPAIRMENT LOSS)/REVERSAL OF IMPAIRMENT LOSS ON FIXED ASSETS**		
	Property, Plant and Equipment	-	(10 223 317)
	Correction of error as per note 40.01 (o)	-	9 510 271
	Investment Property	-	(877 011)
	Correction of error as per note 40.01(n)	-	877 011
		-	(713 046)
	Less: Allocated against Provision for Rehabilitation of Landfill-Sites - Note 13		
	Total (Impairment Loss)/ Reversal of Impairment Loss on Fixed Assets	-	(713 046)

		2018 R	2017 R
39.	**RECLASSIFICATION OF ITEMS IN THE FINANCIAL STATEMENTS AS A RESULT OF THE IMPLEMENTATION OF mSCOA**		

The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017. The municipality has started with a process during the year to align items in the financial statements with the Item Segment of mSCOA. The result of this process was a reclassification and naming of items in the financial statements. The reclassification of 2017 audited amounts can be summarised as follows:

	Now reported	Previously reported
RE-CLASSIFICATIONS-STATEMENT OF FINANCIAL PERFORMANCE	**2017 R**	**2017 R**
REVENUE		
Revenue from Non-exchange Transactions		
Taxation Revenue		
Property Rates	70 958 273	70 985 321
Transfer Revenue		
Government Grants and Subsidies - Capital	36 816 136	36 816 136
Government Grants and Subsidies - Operating	74 588 619	74 588 619
Public Contributions and Donations	76 206	76 206
Contributed Property, Plant and Equipment	-	-
Other Revenue		
Actuarial Gains	12 271 902	12 271 902
Fines	-	13 205 385
Fines, Penalties and Forfeits	14 423 212	-
Government Incentives Received	760 280	760 280
Interest Earned - Non-exchange Transactions	-	-
Licences and Permits	43 580	-
Revenue from Exchange Transactions		
Service Charges	315 785 556	314 865 976
Admission Fees	-	15 586 807
Entrance Fees	15 586 807	-
Sales of Goods and Rendering of Services	3 516 373	-
Rental from Fixed Assets	3 341 693	-
Rental of Facilities and Equipment	-	2 338 525
Interest Earned - external investments	3 230 096	3 230 096
Interest Earned - Exchange Transactions	6 390 851	-
Interest Earned - Outstanding Receivables	-	6 390 851
Agency Services	3 134 238	3 134 238
Other Income	-	7 538 575
Stock Adjustments	-	48 555
Operational Revenue	820 996	-

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EXPENDITURE		
Employee Related Cost	(186 514 992)	(185 591 451)
Remuneration of Councillors	(9 483 852)	(9 483 852)
Debt Impairment	-	(14 057 626)
Bad Debts Written Off	-	-
Contracted Services	(26 384 315)	(29 647 429)
Depreciation and Amortisation	(19 445 736)	(19 445 736)
Actuarial Losses	-	-
Finance Costs	-	(14 673 473)
Interest, Dividends and Rent on Land	(14 674 724)	-
Impairments	-	(10 501 988)
Bulk Purchases	(146 708 626)	(146 612 669)
Assets Written-off	-	(598 340)
General Expenses	-	(52 178 419)
Inventory Consumed	(7 020 115)	-
Operating Leases	(2 677 853)	-
Transfers and Subsidies	(3 021 673)	-
Operational Cost	(41 610 489)	-
GAINS AND LOSSES		
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	-	-
(Impairment Loss)/Reversal of Impairment Loss on Receivables	(14 057 626)	-
Gains/(Loss) on Sale of Fixed Assets	-	-
Loss on Disposal of Assets	(232 362)	(232 362)
(Impairment Loss)/Reversal of Impairment Loss on Fixed Assets	(11 100 329)	-
Profit/(Loss) on Fair Value Adjustments	-	-
Profit/(Loss) from Discontinued Operations	-	-
Water Losses	-	-
Net Surplus/(Deficit) for the year	**78 812 127**	**78 812 128**

39.01 Property Rates

	2017
Balance previously reported	70 985 321
Transfer from General expenses	(27 048)
Restated balance 30/06/2017	**70 958 273**
Previously reported	
Rateable Land and Buildings	76 074 033
Less: Rebates	(5 088 712)
	70 985 321
Now reported	
Business and Commercial Property	12 824 099
Farm Holdings	2 415 430
Formal and Informal Settlements	4 221 324
Public Benefit Organisations	188 773
Public Service Infrastructure Properties	10 855
Residential Properties	46 567 379
State-owned Properties	8 302 167
Other Categories	1 516 958
Less: Rebates	(5 088 712)
	70 958 273

39.02 Fines

Balance previously reported	13 205 385
Transfer to Fines, Penalties and Forfeits	(13 205 385)
Restated balance 30/06/2017	-

39.03 Fines, Penalties and Forfeits

Balance previously reported	-
Transfer from Fines	13 205 385
Transfer from Other Income	1 217 827
Restated balance 30/06/2017	**14 423 212**

39.04 Licences and Permits

Balance previously reported	-
Transfer from Other Income	43 580
Restated balance 30/06/2017	**43 580**

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39.05 Service Charges

Balance previously reported	314 865 976
Transfer from General expenses	(275 416)
Transfer from Other Income	1 194 996
Restated balance 30/06/2017	315 785 556
Previously reported	
Electricity	209 483 360
Service charge	213 822 896
Less: Rebates	(4 339 536)
Water	54 280 824
Service charge	62 865 231
Less: Rebates	(8 584 407)
Water Klein Karoo Rural Scheme	5 458 392
Service charge	5 458 392
Less: Rebates	-
Refuse removal	15 649 084
Service charge	21 237 601
Less: Rebates	(5 588 517)
Sewerage and Sanitation Charges	29 994 316
Service charge	35 619 187
Less: Rebates	(5 624 871)
Total service charges	**314 865 976**
Now reported	
Electricity	210 156 386
Service charge	214 495 923
Less: Rebates	(4 339 536)
Water	54 718 571
Service charge	63 302 977
Less: Rebates	(8 584 407)
Water Klein Karoo Rural Scheme	5 458 392
Service charge	5 458 392
Less: Rebates	-
Refuse removal	15 457 891
Service charge	21 046 408
Less: Rebates	(5 588 517)
Sewerage and Sanitation Charges	29 994 316
Service charge	35 619 187
Less: Rebates	(5 624 871)
Total service charges	**315 785 556**

39.06 Admission Fees

Balance previously reported	15 586 807
Transfer to Sales of Goods and Rendering of Services	(15 586 807)
Restated balance 30/06/2017	-

39.07 Entrance Fees

Balance previously reported	-
Transfer from Admission fees	15 586 807
Restated balance 30/06/2017	15 586 807

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39.08 Sales of Goods and Rendering of Services

Balance previously reported	-
Transfer from General expenses	1 391
Transfer from Other Income	3 331 157
Transfer from Rental of Facilities and Equipment	183 825
Restated balance 30/06/2017	3 516 373

39.09 Rental from Fixed Assets

Balance previously reported	-
Transfer from Other Income	1 188 993
Transfer from Rental of Facilities and Equipment	2 152 700
Restated balance 30/06/2017	3 341 693

39.10 Rental of Facilities and Equipment

Balance previously reported	2 336 525
Transfer to Rental from Fixed Assets	(2 152 700)
Transfer to Sales of Goods and Rendering of Services	(183 825)
Restated balance 30/06/2017	-

39.11 Interest Earned - Exchange Transactions

Balance previously reported	-
Transfer from Interest Earned - Outstanding Receivables	6 390 851
Restated balance 30/06/2017	6 390 851

39.12 Interest Earned - outstanding receivables

Balance previously reported	6 390 851
Transfer to Interest Earned - Exchange Transactions	(6 390 851)
Restated balance 30/06/2017	-

39.13 Other Income

Balance previously reported	7 538 575
Transfer to Operational Cost	268 974
Transfer to Fines, Penalties and Forfeits	(1 217 827)
Transfer to Licences and Permits	(43 580)
Transfer to Operational Revenue	(820 996)
Transfer to Rental from Fixed Assets	(1 188 993)
Transfer to Sales of Goods and Rendering of Services	(3 331 157)
Transfer to Service Charges	(1 194 996)
Restated balance 30/06/2017	-

Previously reported	
Advertising Fees	57 891
Airport landings	3 917
Cango Mountain Resort	1 232 905
Cemeteries	769 014
Electricity sundries	457 007
Infrastructure levies	250 003
Legal fees recovered	1 235 277
Libraries	40 693
Parking Fees	84 561
Photostats and faxes	32 074
Recovered taxes	-
Rezoning Fees	34 802
Sportgrounds and swimming pools	180 206
Stock adjustments	44 496
Sundries	1 850 195
Townplanning	95 048
Traffic	329 533
Valuation certificates	113 535
Water sundries	727 420
	7 538 575

39.14 Stock Adjustments

Balance previously reported	48 555
Transfer to Inventory Consumed	(48 555)
Restated balance 30/06/2017	-

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39.15 Operational Revenue

Balance previously reported	
Transfer from Other Income	820 996
Restated balance 30/06/2017	**820 996**

39.16 Employee Related Cost

Balance previously reported	(185 591 451)
Transfer from Contracted services	(2 288 469)
Transfer from General expenses	(62 675)
Transfer to Operational cost	1 427 603
Restated balance 30/06/2017	**(186 514 991)**
Previously reported	
Acting Allowance	520 524
Bargaining Allowance	83 866
Bonuses	7 329 739
Contribution to Long Service awards	1 309 867
Contribution to Post Employment Medical	11 222 224
Contributions to Group Insurance	1 885 027
Contributions to Medical Aid	10 588 272
Contributions to Pension	17 875 664
Contributions to UIF	1 101 499
Contributions to Workman's Compensation	190 065
Housing Benefits and Allowance	1 636 097
Leave payments	(54 636)
Other Allowance	820 070
Overtime payments	10 765 764
Repairs and Maintenance	3 063 123
Salaries and Wages	110 330 031
Shift Allowance	293 902
Skills Development	1 427 603
Standby Allowance	1 414 085
Telephone Allowance	61 334
Travelling Allowance	3 727 333
	185 591 451
Now reported	
Acting Allowance	520 524
Contributions to Group Insurance	1 885 027
Contributions to Workman's Compensation	190 065
Housing Benefits and Allowance	1 636 097
Leave payments	(54 636)
Standby Allowance	1 414 085
Basic Salaries and Wages	115 671 328
Pension and UIF Contributions	19 024 455
Medical Aid Contributions	21 810 495
Overtime	11 085 344
Bonuses	7 329 739
Motor Vehicle Allowance	3 729 655
Cell phone Allowance	860 828
Other benefits and allowances	102 120
Contribution to Long Service awards	1 309 866
	186 514 991

39.17 Debt Impairment

Balance previously reported	(14 057 626)
Transfer to (Impairment Loss)/Reversal of Impairment Loss on Receivables	14 057 626
Restated balance 30/06/2017	-
Previously reported	
Trade Receivables from exchange transactions - Note 17	2 653 684
Trade Receivables from non-exchange transactions - Note 18	11 402 052
Other bad debt written off	1 890
	14 057 626

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39.18 Contracted Services

Balance previously reported	(29 647 429)
Transfer from General expenses	(14 049 886)
Transfer to Employee Related Cost	2 288 469
Transfer to Interest, Dividends and Rent on Land	1 251
Transfer to Inventory Consumed	2 022 624
Transfer to Operating Leases	2 003 364
Transfer to Operational Cost	10 997 292
Restated balance 30/06/2017	**(26 384 315)**
Previously reported	
Cleaning services	323 720
Computer and software licencing	1 671 414
Landfill services	1 454 405
Leases and rentals	10 004 540
Other	1 368 117
Professional Services	5 161 721
Repairs and Maintenance	6 578 212
Security Services	2 443 107
Service Contracts	642 193
	29 647 429
Now reported	
Outsourced Services	5 664 651
Consultants and Professional Services	10 319 367
Contractors	10 400 297
	26 384 316

39.19 Finance Costs

Balance previously reported	(14 673 473)
Transfer to Interest, Dividends and Rent on Land	14 673 473
Restated balance 30/06/2017	-
Previously reported	
Long-term Liabilities	8 747 903
Finance leases	204 957
Landfill site restoration contribution	5 720 535
Other	78
	14 673 473

39.20 Interest, Dividends and Rent on Land

Balance previously reported	
Transfer from Contracted Services	(1 251)
Transfer from Finance Costs	(14 673 473)
Restated balance 30/06/2017	**(14 674 724)**

39.21 Impairments

Balance previously reported	(10 501 988)
Transfer to (Impairment Loss)/Reversal of Impairment Loss on Fixed Assets	10 501 988
Restated balance 30/06/2017	-
Previously reported	
Property Plant & Equipment	9 624 979
Investment Property	877 011
	10 501 990

39.22 Bulk Purchases

Balance previously reported	(146 612 669)
Transfer from General Expenses	(95 957)
Restated balance 30/06/2017	**(146 708 626)**
Previously reported	
Electricity bulk	143 711 703
Water bulk	2 900 966
	146 612 669
Now reported	
Electricity	143 807 660
	143 807 660

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39.23 Assets Written-off

Balance previously reported	(598 340)
Transfer to (Impairment Loss)/Reversal of Impairment Loss on Fixed Assets	598 340
Restated balance 30/06/2017	-

39.24 General Expenses

Balance previously reported	(52 178 419)
Transfer to Bulk Purchases	95 957
Transfer to Contracted Services	14 049 887
Transfer to Employee Related Cost	62 675
Transfer to Exchange Revenue	274 025
Transfer to Inventory Consumed	5 046 045
Transfer to Non-exchange Revenue	27 048
Transfer to Operating Leases	674 489
Transfer to Operational Cost	28 926 620
Transfer to Transfers and Subsidies	3 021 673
Restated balance 30/06/2017	-

Previously reported	
Advertisements	772 951
Audit Fees	5 016 269
Bank Charges	2 276 248
Calendar events	33 359
Chemicals	553 413
Commission paid	2 749 103
Electricity	198 694
Fuel Cost	4 301 356
Housing	2 124 582
Indigent Burials	513 268
Insurance	1 639 106
Inventory Items	854 740
Legal Cost	5 029 665
Licence Fees	220 542
Membership Fees	2 251 727
Performance Management	474 894
Postage	919 057
Printing and stationery	1 274 956
Professional Fees	865 098
Project Expenditure	631 601
Repairs and Maintenance	6 628 818
Safety clothes	149 465
Speed camera fees	800 389
Sport Development	102 484
Telephone	2 386 975
Tools and Equipment	82 878
Tourism	501 000
Training	1 338 207
Travel and subsistence	1 234 051
Ward Committee Functionality	188 302
Water	3 220 955
Other	2 844 265
	52 178 419

39.25 Inventory Consumed

Balance previously reported	-
Transfer from Contracted services	(2 022 624)
Transfer from General expenses	(5 046 045)
Transfer from Stock adjustments	48 555
Restated balance 30/06/2017	(7 020 115)

39.26 Operating Leases

Balance previously reported	-
Transfer from Contracted services	(2 003 364)
Transfer from General expenses	(674 489)
Restated balance 30/06/2017	(2 677 853)

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39.27 Transfers and Subsidies

Balance previously reported	
Transfer from General expenses	(3 021 673)
Restated balance 30/06/2017	**(3 021 673)**

39.28 Operational Cost

Balance previously reported	
Transfer from Contracted services	(10 997 292)
Transfer from Employee related cost	(1 427 603)
Transfer from General expenses	(28 926 620)
Transfer from Other Income	(258 974)
Restated balance 30/06/2017	**(41 610 489)**

39.29 (Impairment Loss)/Reversal of Impairment Loss on Receivables

Balance previously reported	
Transfer from Debt Impairment	(14 057 626)
Restated balance 30/06/2017	**(14 057 626)**

39.30 (Impairment Loss)/Reversal of Impairment Loss on Fixed Assets

Balance previously reported	
Transfer from Assets written-off	(598 340)
Transfer from Impairments	(10 501 988)
Restated balance 30/06/2017	**(11 100 328)**

RE-CLASSIFICATIONS-STATEMENT OF FINANCIAL POSITION

39.31 Consumer Deposits

Balance previously reported	7 803 190
Transfer from Trade and Other Payables from Exchange Transactions	679 623
Restated balance 30/06/2017	**8 482 812**

39.32 Trade and Other Payables from exchange transactions

Balance previously reported	40 707 935
Transfer to Consumer Deposits	(679 623)
Restated balance 30/06/2017	**40 028 312**

		2017 R	2016 R

40 CORRECTION OF ERROR IN TERMS OF GRAP 3

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:

40.1 (a) Correction of Opening Balance Unspent Conditional Grants : Human Settlement Development Grant. Funds was incorrectly recognized as revenue, a credit note was issued. This is now corrected with the following entries, Dt. Accumulated Surplus R348 889.42, (Ct) Unspent Conditional Grants R348 889.42

(b) Correction of Trade Payables from Exchange Transactions - Sundry Creditors 2016/17, due to SALGA Membership wees incorrectly provided for. Invoice relates to 2017/18 financial year. This is now corrected with following entries, Dt. Trade Payables from Exchange Transactions: Sundry Creditors R1 970 765.42, (Ct) Accumulated Surplus 201617, R1 970 765.42

(c) Correction of Receivables from Non-Exchange :Sundry Debtors 2016-17, Subsistence and Travel expenditure understated, wrongly allocated against sundry debtors. This is now corrected with the following entries Dt. Accumulated Surplus 2016/17 (Operational Cost) R36 573.85, (Ct) Receivables From Non Exhange:Sundry Debtors R36 573.85

(d) Correction of Trade Payables from Exchange Transactions- Trade Payables 2016/17 (Operational Cost). Invoices and Credit notes relating to 2016/17 were captured in current period. This is now corrected with the following entries, Dt. Accumulated Surplus R634 383.82, (Ct) R634 383.82

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(e) Correction of Receivables from Exchange Transactions Opening balance- Service Debtors. Corrections on debtors accounts that relates to prior years were performed in the current financial year. This is now corrected with the following entries, Dt. Receivables from Exchange Transactions Opening Balance R318 882.26, (Ct) Accumulated Surplus Opening Balance R318 882.26

(f) Correction of Trade Payables From Exchange Transactions- Opening Balance. Staff Advances was incorrectly disclosed as Trade Payables during prior period. This is now corrected with the following entries, Dt. Trade Payables from Exchange- Trade Payables Opening balance R186 964 .49, (Ct) Accumulated Surplus Opening balance R 186 964. 49

(g) Correction of Taxes Opening balance, after VAT review was performed in was discovered that Vat Input was not claimed on creditor invoices, and VAT Output was incorrectly paid on Agency fees in prior years. This is now corrected with the following entries, Dt. Taxes Opening Balance R1 571 431 .99, (Ct) Accumulated Surplus R 1 571 431.99

(h) Correction of Taxes 2016/17 balance, after VAT review was performed in was discovered that Vat Input was not claimed on creditor invoices, and VAT Output was incorrectly paid on Agency fees in prior years. This is now corrected with the following entries (Dt) Taxes Opening Balance R2 038 008.08, (Ct) Accumulated Surplus R2 038 008.08

(i) Correction of Trade Payables from Exchange Transactions Opening balance, credit notes applicable to prior years was incorrectly processed in 2017/18. Eden Municipality have written-off invoices still owing to them in 2016/17. This is now corrected with the following entries, Dt Trade Payables from Exchange Transactions R407 531.78 (Ct) Accumulated Surplus R407 531.78

(j) Correction of Capitalised Restoration Cost Opening balance Accumulated Depreciation. Calculation was adjusted retrospectively to rectify the carrying value of Grootkop Landfill site that was reflected as R0 in prior years. This is now corrected with the following entries, Dt Accumulated Depreciation Capitalised Restoration Cost, R3 229 235, (Ct) Accumulated Surplus Opening balance R3 229 235

(k) Correction of Capitalised Restoration Accumulated Depreciation 2016-17. Calculation was adjusted retrospectively to rectify the carrying value of Grootkop Landfill site that was reflected as R0 in prior years. This is now corrected with the following entries, Dt Accumulated Surplus 2016/17 R38 063, (Ct) Accumulated Depreciation Capitalised Restoration cost R38 063

(l) Correction of Taxes Opening Balance, after investigation it was seen that an amount was incorrectly reflecting as VAT Input during prior periods. It relates to corrections made on receipts and was already paid over to SARS. This is now corrected with the following entries, Dt Accumulated Surplus Opening Balance R238 942.10(Ct) Taxes Opening Balance, R 238 942.10

(m) Correction of Other Assets Opening Balance at Cost and Accumulated Depreciation Opening balance, due to the first time recognition of movable assets identified during the annual asset count. This is now corrected with the following entries,, Dt Other Assets Cost Opening balance R60 385.06, and (Ct) Accumulated Depreciation Opening Balance R38 696.08, (Ct) Accumulated Surplus Opening balance R21 688.98

(n) Correction of Investment Property- Accumulated Impairment 2016/17. After investigation of FAR the entire population was corrected to correspond to the valuation roll. This is now corrected with the following entries, Dt. Accumulated Impairment Investment Property R877 011, (Ct) Accumulated Surplus 2016/17 R877 011

(o) Correction of Property Plant and Equipment Accumulated Impairment 2016/17. After investigation of the Fixed Asset Register, the entire population was corrected to correspond to the valuation roll. This is now corrected with the following entries, DT Accumulated Impairment Property Plant and Equipment, R9 510 270.78, and (Ct) Accumulated Surplus 2016/17

(p) Correction of Investment Property at Cost Opening balance. After reviewing the entire Fixed Asset Register, the population was adjusted to correspond to the valuation roll and deeds listing. This is now corrected with the following entries, Dt. Investment Property at Cost, R5 506 453.68, (Ct) Accumulated Surplus Opening balance, R5 506 453.68

(q) Correction of Investment Property Accumulated Depreciation Opening balance. After reviewing the entire Fixed Asset Register, the population was adjusted to correspond to the valuation roll and deeds listing. This is now corrected with the following entries, Dt. Accumulated Depreciation Investment Property, R288 301.54, (Ct) Accumulated Depreciation

(r) Correction of Investment Property Accumulated 2016/17. After reviewing the entire fixed asset register, the population was adjusted to correspond to the valuation roll and deeds listing. This is now corrected with the following entries, Dt. Accumulated Depreciation Investment Property, R1 391 815.68, (Ct) Accumulated Depreciation Investment Property, R1 391 815.68

(s) Correction of Land at Cost Opening balance. After reviewing the fixed asset register, the population was adjusted to correspond to the valuation roll and deeds listing. This is now corrected with the following entries, Dt. Accumulated Surplus Opening Balance, R8 346 704, (Ct) Land at Cost Opening Balance, R8 346 704

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(t) Correction of Buildings at Cost Opening balance. After reviewing the fixed asset register, the population was adjusted to correspond to the valuation roll and deeds listing. This is now corrected with the following entries, Dt Buildings at Cost Opening balance Opening Balance R15 652 931, (Ct) Accumulated Surplus at Cost Opening Balance, R15 652 931

(u) Correction of Buildings Accumulated Depreciation at Cost Opening balance. After reviewing the fixed asset register, the population was adjusted to correspond to the valuation roll and deeds listing. This is now corrected with the following entries, Dt Buildings at Cost Opening balance R17 646 316 (Ct) Accumulated Depreciation Opening Balance R17 646 316

(v) Correction of Buildings Accumulated Depreciation 2016/17. After Reviewing the fixed asset register, the population was adjusted to correspond to the valuation roll and deeds listing. This is now corrected with the following entries, Dt Buildings at Cost Opening balance R1 955 299 (Ct) Accumulated Depreciation Opening Balance R1 955 299

(w) Correction of Electricity Infrastructure Opening Balance at cost. After the physical verification of fixed assets were performed corrections were identified. This is now corrected with the following entries, Dt Accumulated Surplus Opening Balance R45 171 372, (Ct) Accumulated Surplus Opening balance R45 171 372

(x) Correction of Accumulated Deprecation Electricity Infrastructure Opening balance. After physical verification of fixed assets were performed correction were identified. This is now corrected with the following entries, Dt Accumulate Surplus Opening balance, R14 593 180 , (Ct) Accumulated Depreciation Infrastructure Electricity Opening Balance, R14 593 180

(y) Correction of Accumulated Depreciation 2016/17 Electricity Infrastructure Opening Balance. After physical verification of fixed assets were performed corrections were identified. This is now corrected with the following entries, Dt. Accumulated Surplus 2016/17 R2 705 492, (Ct) Accumulated Depreciation 2016/17 R2 705 492

(z) Correction of Community Assets-Recreational Facilities Opening Cost. After physical verification of fixed assets were performed corrections were identified. This is now corrected with the following entries,Dt Community Assets at Cost Opening Balance R1 410 820, (Ct) Accumulated Surplus Opening balance R1 410 820

(aa) Correction of Accumulated Depreciation Community Assets - Recreational Facilities Opening balance. After physical verification of fixed assets were performed corrections have been identified. This is now corrected with the following entries, Dt Accumulated Surplus Opening balance R26 065 933, (Ct) Accumulated Deprecation Community Assets Opening balance R26 065 933

(bb) Correction of Accumulated Deprecation Community - Recreational Facilities 2016/17. After physical verification of fixed assets were performed corrections have been identify. This is now corrected with the following entries, Dt Accumulated Deprecation Community Assets- Recreational Facilities 2016/17 R2 513 489, (Ct) Accumulated Surplus 2016/17 R2 513 489

(cc) Correction of Community Assets- Libraries Opening balance Cost. After physical verification of fixed assets have been performed corrections have been identified. This is now corrected with the following entries, Dt Libraries at Cost Opening balance R3 371 117, (Ct) Accumulated Surplus Opening balance R3 371 117

(dd) Correction of Accumulated Depreciation Community Assets- Libraries Opening balance. After physical verification of fixed assets corrections have been identified. This is now corrected with the following entries, Dt Accumulated Surplus Opening balance R2 526 024, (Ct) Accumulated Depreciation Community Assets Opening balance R2 526 024

(ee) Correction of Accumulated Depreciation Community Assets- Libraries 2016/17. After physical verification of fixed assets corrections have been identified, this is now corrected with the following entries, Dt Accumulated Surplus 2016/17, R274 553 (Ct) Accumulated Depreciation Community Assets Libraries 2016/17 R 274 553

(ff) Correction of Community Assets Cemeteries- Opening Cost. After physical verification corrections have been identified, this is now corrected with the following entries, Dt Community Assets Opening balance Cost R1 982 428, (Ct) Accumulated Surplus Opening balance R1 982 428

(gg) Correction of Accumulated Depreciation Community Assets- Cemeteries Opening balance. After physical verification of the fixed assets corrections have been identified, this is now corrected with the following entries, Dt Accumulated Surplus Opening balance R627 560, (Ct) Accumulated Depreciation Community Assets- Cemeteries R627 560

(hh) Correction of Accumulated Deprecation Community Assets- Cemeteries 2016/17. After physical verification of the fixed assets corrections were identified. This is now corrected with the following entries, Dt Accumulated Surplus 2016/17 R 69 495, (Ct) Accumulated Depreciation Community Assets- Cemeteries 2016/17 R 69 495

(ii) Correction of Community Assets- Civic Land&Buildings at Cost Opening balance. After physical verification of the fixed assets, corrections were identified. This is now corrected with the following entries, Dt Accumulated Surplus Opening balance R5 118 241, (Ct) Community Assets- Civic land &buildings at Cost Opening balance R5 118 241

(jj) Correction of Accumulated Deprecation Community Assets- Civic Land&Buildngs Opening balance. After physical verification of the fixed assets, corrections were identified. This is now corrected with the following entries, Dt Accumulated Surplus Opening Balance R514 809, (Ct) Accumulated Depreciation Community Assets Opening balance R514 809

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(kk) Correction of Accumulated Depreciation Community Assets- Civic Land&Buildings 2016/17. After physical verification of the fixed assets, corrections were identified. This is now corrected with the following entries, Dt Accumulated Surplus 2016/17 R47 360, (Ct) Accumulated Depreciation Community Assets 2016/17 R47 360

(ll) Correction of Infrastructure Assets- Sanitation Opening balance at cost. After physical verification of the fixed assets, corrections were identified. This is now corrected with the following entries, Dt Infrastructure Assets - Sanitation at Cost R19 391 894, (Ct) Accumulated Surplus Infrastructure Opening balance R 19 391 894.

(mm) Correction of Accumulated Deprecation- Sanitation Opening balance After physical verification of the fixed assets, corrections were identified. This is now corrected with the following entries. Dt Accumulated Surplus Opening balance R3 890 450, (Ct) Accumulated Deprecation Infrastructure Sanitation Opening balance R3 890 450

(nn) Correction of Accumulated Deprecation Infrastructure Sanitation 2016/17. After physical verification of the fixed assets, corrections were identified. This is now corrected with the following entries. Dt Accumulated Surplus 2016/17 R1 010 531, (Ct) Accumulated Depreciation Infrastructure Sanitation 2016/17 R 1 010 531

(oo) Correction of Infrastructure Assets-Solid Waste Opening balance. After physical verification of fixed assets, corrections have been identified. This is now corrected with the following entries, Dt Infrastructure Assets- Solid Waste at Cost Opening balance R1 736 229, (Ct) Accumulated Surplus Opening balance R1 736 229

(pp) Correction of the Buildings at Cost. After physical verification of fixed assets, it was decided to reverse the disposal of the previous year. This is now corrected with the following entries, Dt Buildings at Cost R213 833, (Ct) Accumulated Surplus 2016/17 R213 833

(qq) Correction of Accumulated Depreciation Buildings 2016/17. After physical verification of fixed assets, it was decided to reverse the disposal of the previous year. This is now corrected with the following entries, Dt Accumulated Surplus 2016/17 R209 990, (Ct) Accumulated Depreciation Buildings 2016/17 R209 990

(rr) Correction of Infrastructure Assets at Cost- Sanitation. After physical verification it was decided to reverse the disposal of previous year. This is now corrected with the following entries, Dt Infrastructure Assets at Cost R397 071, (Ct) Accumulated Surplus 2016/17 R397 071

(ss) Correction of Accumulated Depreciation Infrastructure Assets- Sanitation 2016/17. After physical verification it was decided to reverse the disposal of previous year. This is now corrected with the following entries, Dt Accumulated Surplus 2016/17 R164 710, (Ct) Accumulated Depreciation Infrastructure Assets R164 710

(tt) Correction of Infrastructure Assets- Water at Cost Opening balance. After physical verification on fixed assets was performed, there was corrections identified. This is now corrected with the following entries, Dt Infrastructure Water - Opening Balance R22 437 517, (Ct) Accumulated Surplus Opening balance R22 437 517, (Dt) Accumulated Surplus 2016/17 and (Ct) Infrastructure Water Additions 2016/17 R59 151

(uu) Correction of Accumulated Depreciation Infrastructure Water- Opening balance. After physical verification on fixed assets was performed, there was corrections identified. This is now corrected with the following entries, Dt Accumulated Surplus Opening Balance R34 901 105, (Ct) Accumulated Deprecation Infrastructure Opening Balance, R34 901 105

(vv) Correction of Accumulated Depreciation Infrastructure- Water 2016/17. After physical verification on fixed assets was performed, there was corrections identified. This is now corrected with the following entries, Dt Accumulated Surplus 2016/17 R3 883 717, (Ct) Accumulated Depreciation Infrastructure-Water 2016/17 R3 883 717

(ww) Correction of Infrastructure Roads at cost Opening balance. After physical verification on fixed assets was performed, there was corrections identified. This is now corrected with the following entries, Dt Infrastructure Assets- Roads Opening balance R10 282 973, (Ct) Accumulated Surplus Opening balance R10 282 973

(xx) Correction of Accumulated Depreciation Infrastructure-Roads Opening balance. After physical verification on fixed assets was performed, there was corrections identified. This is now corrected with the following entries, Dt Accumulated Surplus Opening balance R495 791, (Ct) Accumulated Depreciation Infrastructure Roads Opening balance R495 791

(yy) Correction of Accumulated Depreciation Infrastructure-Road 2016/17. After physical verification on fixed assets was performed, there was corrections identified. This is now corrected with the following entries, Dt Accumulated Surplus 2016/17 R1 759 356, (Ct) Accumulated Depreciation Infrastructure-Roads 2016/17 R1 759 356

(zz) Correction of Capitalised Restoration at Cost. The change in estimate reversal of 2016/17. This is now corrected with the following entries (Dt) Accumulated Surplus 2016/17 R1 286 429, (Ct) Capitalised Restoration Cost R1 286 429

(aaa) Correction of Cash and Cash Equivalents for 2016/17. The correction is due to the interest for June 2017 processed in the incorrect period. This is now corrected with the following entries, (Dt) Primary Bank R78 179, 9, (Ct) Accumulated Surplus 2016/17 (Interest Earned) R78 179.

(bbb) Correction of Accumulated Depreciation Land&Buildings Opening balance. During the prior periods there was depreciation incorrectly calculated on Land, this is now corrected wit the following entries, Dt Accumulated Depreciation Land&Buildings Opening balance R13 126, (Ct) Accumulated Surplus Opening Balance R13 126

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(ccc) Correction of Receivables from Non-Exhange Traffic Fines Debtor Opening balance. Initial recognition of provincial fines receivable, this is now corrected with the following entries. Dt Receivables from Non-Exhange Traffic Fines R3 407 100, (Ct) Accumulated Surplus Opening Balance R3 407 100

(ddd) Correction of Receivables from Non-Exhange Traffic Fines Debtor 2016/17. Recognition of provincial fines receivable, this is now corrected with the following entires, Dt Receivables from Non-Exhange Traffice Fines 2 690 050 and (Ct) Accumulated Surplus 2016/17 (Traffic Fines) R2 690 050

(eee) Correction of Receivables from Non-Exhange Traffic Fines Opening balance. Recognition of bad debts written-off, this is now corrected with the following entries. Dt Accumulated Surplus Opening balance, R1 244 870 (Ct) Receivables from Non-Exhange Traffic Fines, R1 244 870

(fff) Correction of Receivables from Non-Exange Fines 2016/17. Recognition of bad debts written-off, this now corrected with the following entries. Dt Accumulated Surplus 2016/17, R567 290 and (Ct) Receivables from Non-Exhange Traffic Fines. R567 290

(ggg) Correction of Receivables from Non-Exhange Opening balance. Recognition of debt impairment provision. This is now corrected with the following entries, Dt Accumulated Surplus R1 332 387, (Ct) Receivables from Non-Exhange Transactions Opening balance R1 332 387

(hhh) Correction of Receivables from Non-Exhange 2016/17. Recognition of debt impairment provision movement 2016/17. This is now corrected with the following entries. Dt Accumulated Surplus R1 443 475 and (Ct) Receivables from Non-Exhange Transactions 2016/17, R1443 475

(iii) Correcetion of Receivables from Non-Exhange Transactions 2016/17. Recognition of Fines income 2016/17. This is now corrected with the following entries, Dt Accumulated Surplus 2016/17, R413 510 and (Ct) Receivables from Non-Exhange Transactions 2016/17 R413 510

(jjj) Correction of Receivables from Non-Exhange Transactions Opening balance. Recognition of Fines income opening balance. This is now corrected with the following entires, Dt Accumulated Surplus Opening balance, R564 980, and (Ct) Receivables from Non-Exhange Transactions Opening balance R564 980

		2017 R	2016 R
41.01	**Accumulated Surplus/(Deficit)**		
	Balance previously reported	**500 267 871**	**421 455 743**
	Correction of Unspent Conditional Grants Opening Balance as per 40.01(a)	-	(348 889)
	Correction of Trade Payables from Exchange Transactions - Sundry Creditors 2016/17 as per note 40.01(b)	1 970 765	-
	Correction of Receivables from Non-Exchange :Sundry Debtors 2016-17 as per note 40.01 (c)	(36 574)	-
	Correction of Trade Payables from Exchange Transactions-Trade Payables 2016/17 (Operational Cost), as per note 40.01(d)	(634 384)	-
	Correction of Receivables from Exchange Transactions Opening balance- Service Debtors as per note 40.01 (e)	-	318 882
	Correction of Trade Payables From Exchange Transactions- Opening Balance as per note 40.01(f)	-	186 964
	Correction of Taxes Opening balance as per note 40.01(g)	-	1 571 432
	Correction of Taxes 2016/17 balance as per note 40.01(h)	2 038 008	-
	Correction of Trade Payables Opening balance as per note 40.01(i)	-	407 535
	Correction of Capitalised Restoration Cost Opening balance Accumulated Depreciation as per note 40.01(j)	-	3 229 235
	Correction of Capitalised Restoration Accumulated Depreciation 2016-17 as per note 40.01(k)	(38 063)	
	Correction of Taxes Opening Balance as per note 40.01(l)	-	(238 942)
	Correction of Other Assets Cost Opening Balance as per note 40.01(m)	-	60 385
	Correction of Other Assets Accumulated Depreciation Opening balance as per note 40.01(m)	-	(38 696)
	Correction of Investment Property Accumulated Impairment as per note 40.01(n)	877 011	-
	Correction of Property Plant and Equipment Accumulated Impairment as per note 40.01(o)	9 510 271	-
	Correction of Investment Property Opening balance at Cost, as per note 40.01(p)	-	5 506 454
	Correction of Accumulated Depreciation Investment Property Opening balance as per note 40.01(q)	-	(288 302)
	Correction of Accumulated Deprecation Investment Property 2016/17 as per note 40.01 (r)	(1 391 816)	
	Correction of Land at Cost Opening Balance as per note 40.01(s)	-	(8 346 704)
	Correction of Buildings at Cost as per note 40.01(t)	-	15 652 931
	Correction of Accumulated Depreciation Buildings as per note 40.01(u)	-	(17 646 316)
	Correction of Accumulated Depreciation Buildings 2016/17 as per note 40.01(v)	(1 955 299)	-
	Correction of Electricity Infrastructure Opening Cost as per note 40.01(w)	-	45 171 372
	Correction of Accumulated Depreciation Electricity Opening balance as per note 40.01(x)	-	(14 593 180)
	Correction of Accumulated Depreciation Electricity 2016/17 as per note 40.01(y)	(2 705 492)	-

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Correction of Community Assets- Recreational Facilities at Cost as per note 40.01(z)	-	(1 410 820)
Correction of Accumulated Depreciation Recreational Facilities Opening balance, as per note 40.01(aa)	-	(24 065 933)
Correction of Accumulated Depreciation Recreational Facilities 2016/17 as per note 40.01(bb)	(2 513 489)	-
Correction of Community Assets - Libraries at Cost Opening balance as per note 40.01(cc)	-	3 371 117
Correction of Accumulated Deprecation Libraries Opening balance as per note 40.01(dd)	-	(2 526 024)
Correction of Accumulated Deprecation Libraries 2016/17 as per note 40.01(ee)	(274 553)	
Correction of Community Assets - Cemeteries at Cost Opening balance as per note 40.01(ff)	-	1 982 428
Correction of Accumulated Depreciation Cemeteries Opening balance as per not 40.01(gg)	0	(627 560)
Correction of Accumulated Depreciation Cemeteries 2016/17 as per note 40.01(hh)	(69 495)	-
Correction of Community Assets Civic Buildings at Cost Opening balance as per note 40.01(ii)	-	(5 118 241)
Correction of Accumulated Depreciation Community Assets- Civic Buildings Opening Balance as per note 40.01(jj)	-	(514 809)
Correction of Accumulated Depreciation Civic Buildings 2016/17 as per note 40.01(kk)	(47 360)	-
Correction of Infrastructure Assets- Sanitation Opening balance as per note 40.01(ll)	-	29 227 618
Correction of Accumulated Depreciation Infrastructure Sanitation Opening balance as per note 40.01(mm)	-	(3 890 450)
Correction of Accumulated Depreciation Infrastructure Sanitation 2016/17 as per note 40.01(nn)	(1 010 531)	-
Correction of Infrastructure Assets - Solid Waste at Cost Opening balance 40.01(oo)	-	1 736 229
Correction of Buildings at Cost as per note 40.01(pp)	213 833	-
Correction of Accumulated Depreciation -Buildings 2016/17 as per note 40.01(qq)	(209 990)	-
Correction of Infrastructure Sanitation at Cost as per note 40.01(rr)	397 071	-
Correction of Accumulated Depreciation Infrastructure- Sanitation 2016/17 as per note 40.01(ss)	(164 710)	-
Correction of Infrastructure - Water Opening balance at cost as per note 40.01(tt)	-	22 437 517
Correction of Infrastructure - Water Opening balance at cost as per note 40.01(tt)		(59 151)
Correction of Accumulated Depreciation Infrastructure-Water Opening balance as per note 40.01(uu)	0	34 901 105
Correction of Accumulated Depreciation Infrastructure- Water 2016/17 as per note 40.01(vv)	(3 883 717)	-
Correction of Infrastructure Roads Opening balance Cost as per note 40.01(ww)	-	10 282 973
Correction of Accumulated Depreciation Infrastructure Roads Opening balance as per note 40.01(xx)	-	495 791
Correction of Capitalsed Restoration Cost 2016/17 as per note 40.01(zz)	-	(1 286 429)
Correction of Accumulated Deprecation Infrastructure Roads 2016/17(yy)	(1 759 356)	-
Correction of Cash and Cash Equivalents as per note 40.01(aaa)	78 179	
Correction of Accumulated Depreciation Land Opening balance as per note 40.01(bbb)		13 126
Correction of Receivables from Non-Exhange Debtors Traffic Fines as per note 40.01(ccc)		3 407 100
Correction of Receivables from Non-Exhange Debtors Traffic Fines 2016/17 as per note 40.01(ddd)	2 690 050	
Correction of Receivables from Non-Exhange Debtors Traffic Fines as per note 40.01(eee)		(1 244 870)
Correction of Receivables from Non-Exhange Debtors Traffic Fines 2016/17 as per note 40.01(fff)	(567 290)	
Correction of Receivables from Non-Exhange Debtors Traffic Fines Opening balance as per note 40.01(ggg)		(1 332 387)
Correction of Receivables from Non-Exhange Debtors Traffic Fines 2016/17 as per note 40.01(hhh)	(1 443 475)	
Correction of Receivables from Non-Exhange Debtors Traffic Fines 2016/17 as per note 40.01(iii)	(413 510)	
Correction of Receivables from Non-Exhange Debtors Traffic Fines Opening balance as per note 40.01(jjj)		(564 980)
Restated Balance	498 923 954	517 273 253

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		2017 R	2016 R
41.02	**Taxes**		
	Balance previously reported	**6 293 148**	**6 906 321**
	Correction of Taxes Opening balance as per note 40.01(g)	(1 571 432)	(1 571 432)
	Correction of Taxes 2016/17 balance as per note 40.01(h)	(2 038 008)	
	Correction of Taxes Opening Balance as per note 40.01(l)	238 942	238 942
	Restated Balance	**2 922 650**	**5 573 831**
41.03	**Property, Plant and Equipment**		
	Balance previously reported	**957 759 552**	**914 679 469**
	Cost		
	Correction of Other Assets at Cost as per note 40.01(m)	60 385	60 385
	Correction of Land at Cost Opening Balance as per note 40.01(s)	(8 346 704)	(8 346 704)
	Correction of Buildings at Cost as per note 40.01(t)	15 652 931	15 652 931
	Correction of Electricity Infrastructure Opening Cost as per note 40.01(w)	45 171 372	45 171 372
	Correction of Community Assets- Recreational Facilities at Cost as per note 40.01(z)	(1 410 820)	(1 410 820)
	Correction of Community Assets - Libraries at Cost Opening balance as per note 40.01(cc)	3 371 117	3 371 117
	Correction of Community Assets - Cemeteries at Cost Opening balance as per note 40.01(ff)	1 982 428	1 982 428
	Correction of Community Assets Civic Buildings at Cost Opening balance as per note 40.01(ii)	(5 118 241)	(5 118 241)
	Correction of Infrastructure Assets- Sanitation Opening balance as per note 40.01(all)	29 227 618	29 227 618
	Correction of Infrastructure Assets - Solid Waste at Cost Opening balance 40.01(oo)	1 736 229	1 736 229
	Correction of Buildings at Cost as per note 40.01(pp)	213 833	-
	Correction of Infrastructure Sanitation at Cost as per note 40.01(rr)	397 071	-
	Correction of Infrastructure - Water Opening balance at cost as per note 40.01(tt)	22 437 517	22 437 517
	Correction of Infrastructure - Water Opening balance at cost as per note 40.01(tt)	(59 151)	
	Correction of Infrastructure Roads Opening balance Cost as per note 40.01(ww)	10 282 973	10 282 973
	Restated Balance - Cost	**1 073 358 109**	**1 029 726 274**
	Balance previously reported	**(281 646 931)**	**(259 094 499)**
	Accumulated Depreciation and Impairments		
	Correction of Other Assets Accumulated Depreciation Opening balance as per note 40.01(m)	(38 696)	(38 696)
	Correction of Property Plant and Equipment Accumulated Impairment as per note 40.01(o)	9 510 271	
	Correction of Accumulated Depreciation Buildings as per note 40.01(u)	(17 646 316)	(17 646 316)
	Correction of Accumulated Depreciation Buildings 2016/17 as per note 40.01(v)	(1 955 299)	-
	Correction of Accumulated Depreciation Electricity Opening balance as per note 40.01(x)	(14 593 180)	(14 593 180)
	Correction of Accumulated Depreciation Electricity 2016/17 as per note 40.01(y)	(2 705 492)	-
	Correction of Accumulated Depreciation Recreational Facilities Opening balance, as per note 40.01(aa)	(24 065 933)	(24 065 933)
	Correction of Accumulated Depreciation Recreational Facilities 2016/17 as per note 40.01(bb)	(2 513 489)	-
	Correction of Accumulated Deprecation Libraries Opening balance as per note 40.01(dd)	(2 526 024)	(2 526 024)
	Correction of Accumulated Deprecation Libraries 2016/17 as per note 40.01(ee)	(274 553)	-
	Correction of Accumulated Depreciation Cemeteries Opening balance as per not 40.01(gg)	(627 560)	(627 560)
	Correction of Accumulated Depreciation Cemetries 2016/17 as per note 40.01(hh)	(69 495)	-
	Correction of Accumulated Depreciation Community Assets- Civic Buildings Opening Balance as per note 40.01(jj)	(514 809)	(514 809)
	Correction of Accumulated Depreciation Civic Buildings 2016/17 as per note 40.01(kk)	(47 360)	-
	Correction of Accumulated Depreciation Infrastructure Sanitation Opening balance as per note 40.01(mm)	(3 890 450)	(3 890 450)
	Correction of Accumulated Depreciation Infrastructure Sanitation 2016/17 as per note 40.01(nn)	(1 010 531)	-
	Correction of Accumulated Depreciation Buildings 2016/17 as per note 40.01(qq)	(209 990)	-
	Correction of Accumulated Depreciation Infrastructure- Sanitation 2016/17 as per note 40.01(ss)	(164 710)	-
	Correction of Accumulated Depreciation Infrastructure-Water Opening balance as per note 40.01(uu)	34 901 105	34 901 105
	Correction of Accumulated Depreciation Infrastructure- Water 2016/17 as per note 40.01(vv)	(3 883 717)	-
	Correction of Accumulated Depreciation Infrastructure Roads Opening balance as per note 40.01(xx)	495 791	495 791
	Correction of Accumulated Deprection Infrastructure Roads 2016/17(yy)	(1 759 356)	-
	Correction of Accumulated Depreciation Land&Buildings Opening Balance as per note 40.01(bbb)	13 126	13 126
	Restated Balance - Accumulated Depreciation and Impairments	**(315 223 601)**	**(287 587 445)**
	Restated Balance - Carrying Value	**758 134 508**	**742 138 828**

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		2017 R	2016 R
41.04	**Investment Property**		
	Balance previously reported		
	Cost	79 095 200	79 095 200
	Correction of Investment Property Opening balance at Cost, as per note 40.01(p)	5 506 454	5 506 454
	Accumulated Depreciation and Impairment	(15 761 354)	(14 624 703)
	Correction of Investment Property Accumulated Impairment as per note 40.01(n)	877 011	-
	Correction of Accumulated Depreciation Investment Property Opening balance as per note 40.01(q)	(288 302)	(288 302)
	Correction of Accumulated Deprecation Investment Property 2016/17 as per note 40.01 (r)	(1 391 816)	-
	Restated Balance	**68 037 193**	**69 688 649**

		2017 R	2016 R
41.05	**Capitalised Restoration Cost**		
	Balance previously reported		
	Cost	12 814 322	11 527 893
	Correction of Accumulated Deprecation Infrastructure Roads 2016/17(yy)	(1 286 429)	(1 286 429)
	Accumulated Depreciation	(7 660 268)	(7 063 960)
	Correction of Capitalised Restoration Cost Opening balance Accumulated Depreciation as per note 40.01(j)	3 229 235	3 229 235
	Correction of Capitalised Restoration Accumulated Depreciation 2016-17 as per note 40.01(k)	(38 063)	-
	Restated Balance	**7 058 798**	**7 693 168**

		2017 R	2016 R
41.06	**Receivables from Exchange Transactions**		
	Balance previously reported	39 803 680	38 705 895
	Correction of Receivables from Exchange Transactions Opening balance- Service Debtors as per note 40.01 (e)	318 882	318 882
	Restated Balance	40 122 562	39 024 777

		2017 R	2016 R
41.07	**Receivables from Non-Exchange Transactions**		
	Balance previously reported	11 603 737	11 239 167
	Correction of Receivables from Non-Exchange :Sundry Debtors 2016-17 as per note 40.01 (c)	(36 574)	-
	Correction of Receivables from Non-Exhange Debtors Traffic Fines as per note 40.01(ccc)	3 407 100	3 407 100
	Correction of Receivables from Non-Exhange Debtors Traffic Fines 2016/17 as per note 40.01(ddd)	2 690 050	-
	Correction of Receivables from Non-Exhange Debtors Traffic Fines as per note 40.01(eee)	(1 244 870)	(1 244 870)
	Correction of Receivables from Non-Exhange Debtors Traffic Fines 2016/17 as per note 40.01(fff)	(567 290)	-
	Correction of Receivables from Non-Exhange Debtors Traffic Fines Opening balance as per note 40.01(ggg)	(1 332 387)	(1 332 387)
	Correction of Receivables from Non-Exhange Debtors Traffic Fines 2016/17 as per note 40.01(hhh)	(1 443 475)	-
	Correction of Receivables from Non-Exhange Debtors Traffic Fines 2016/17 as per note 40.01(iii)	(413 510)	-
	Correction of Receivables from Non-Exhange Debtors Traffic Fines Opening balance as per note 40.01(jjj)	(564 980)	(564 980)
	Restated Balance	12 097 801	11 504 030

		2017 R	2016 R
41.08	**Cash and Cash Equivalents**		
	Balance previously reported	27 815 951	
	Correction of Cash and Cash Equivalents as per note 40.01(aaa)	78 179	
	Restated Balance	27 894 130	-

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		2018	2017
		2018 R	2017 R
42	**RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS**		
	Surplus/(Deficit) for the year	58 562 636	77 468 210
	Adjustments for:		
	Depreciation and Amortisation	40 642 921	35 094 909
	Loss/(Gain) on Sale of Fixed Assets	161 688	(3 843)
	Impairment Loss/(Reversal of Impairment Loss)	-	713 047
	Actuarial Losses	401 558	-
	Actuarial Gains	(6 766 799)	(12 271 902)
	Bad Debts Written Off	36 122 983	567 290
	(Impairment Loss)/Reversal of Impairment Loss on Receivables	(8 086 021)	15 501 101
	Contributed Property, Plant and Equipment	(194 742)	-
	Change in Provision for Rehabilitation Cost	4 218 202	7 006 964
	Contribution from/to provisions - Non-Current Employee Benefits	10 403 561	11 142 742
	Contribution to employee benefits-current	2 425 607	224 132
	Operating Surplus/(Deficit) before changes in working capital	137 891 593	135 442 650
	Changes in working capital	(5 527 221)	(44 392 969)
	Increase/(Decrease) in Trade and Other Payables	12 533 325	(14 568 804)
	Increase in Consumer Deposits	720 916	1 354 936
	Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	(492 292)	(6 596 405)
	(Increase)/Decrease in Unpaid Conditional Public Grants and Reserves	2 685 184	(2 370 548)
	Increase/(Decrease) in Taxes	5 205 182	(3 983 671)
	(Increase)/Decrease in Inventory	(91 385)	(173 534)
	(Increase)/Decrease in Trade Receivables from Exchange Transactions	(9 448 370)	(4 070 352)
	(Increase)/Decrease in Other Receivables from Non-Exchange Transactions	(16 644 897)	(14 008 478)
	(Increase)/Decrease in Operating Lease Asset	5 116	23 885
	Cash generated/(absorbed) by operations	**132 364 372**	**91 049 681**

		2018	2017
		R	R
43	**CASH AND CASH EQUIVALENTS**		
	Cash and cash equivalents included in the cash flow statement comprise the following:		
	Current Accounts - Note 11	-	-
	Call Deposits and Investments - Note 11	63 510 176	23 517 914
	Primary Bank Account - Note 11	7 459 285	4 338 394
	Cash Floats - Note 11	37 860	37 815
	Investments - Note 11	-	-
	Total cash and cash equivalents	**71 007 321**	**27 894 123**

		2018	2017
		R	R
44	**RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES**		
	Cash and Cash Equivalents - Note 11	71 007 321	27 894 123
	Less:	(17 823 051)	(7 264 860)
	Unspent Transfers and Subsidies - Note 18	(9 695 218)	(10 187 510)
	VAT - Note 19	(8 127 832)	2 922 650
	Net cash resources available for internal distribution	53 184 270	20 629 262
	Resources available for working capital requirements	**53 184 270**	**20 629 262**

		2018	2017
		R	R
45	**UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION**		
	Long-term Liabilities - Note 12	60 539 292	92 172 897
	Used to finance property, plant and equipment - at cost	(60 539 292)	(92 172 897)
		-	-
	Cash set aside for the repayment of long-term liabilities	-	-
	Cash invested for repayment of long-term liabilities	-	-

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.

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46 BUDGET INFORMATION

46.01 Explanation of variances between approved and final budget amounts

The reasons for the variances between the approved and final budgets are mainly due to virements, and the negative effect of the abnormal high electricity and solid waste tariff increases on consumer debtors, the decrease in the capital expenditure, and the reprioritising of capital projects, with the corresponding changes to funding sources.

Explanation of variances greater than 10%, or materiality of R5.6 million : Final Budget and Actual Amounts

46.02 Statement of Financial Position

46.02.1 Current Assets

Cash

Actual cash on hand is R9.203 million less than budgeted because the municipality decided to invest more due to higher interest rates.

Call Investment Deposits

Actual investments is R39.9 million more than budgeted because of the improved cash flow position subsequent to the revenue gains from the revenue enhancement strategy being implemented, as well as increased debt collection efforts.

Consumer Debtors

Consumer debtors is R19.9 million more than budgeted, mainly due to the fact that less debt was written off than anticipated. Council have decided to only write-off debt that have prescribed, which is much lower than was initially planned.

Other Debtors

Other debtors is R2,9 million less than budgeted, because it was originally estimated during the budget process that there would be an unpaid conditional grant as at 30 June 2018 in respect of MIG funding. The MIG allocation was however 100% spent and in addition thereto it was found that it was overspent in prior periods.

46.02.2 Non-Current Assets

Property, Plant and Equipment

Property Plant and Equipment is R65 million more than budgeted. There was a complete asset verifcation performed, which have lead to the adjustment of the opening balance Property Plant & Equipment, being more than budgeted. The reviewing of useful lives that was also not taken into consideration during budget process. This have lead to the depreciation for infrastructure to be much lower than anticipated

Other Non-Current Assets

Other non-current assets are R5.8 million lower than budgeted, and only includes the Heritage assets. It was anticipated that the asset value would increase, which was not the case during the year.

46.02.3 Current Liabilities

Trade and Other Payables

Trade and Other payables are R10 million higher than budgeted, mainly due to the much higher amount for Taxes payable and Sundry Creditors outstanding. Taxes are relating to Output VAT in suspense and the larger amount of billed revenue, whereas the Sundry Creditors owing relates creditor provisions on conditional grants only paid after year-end.

46.02.4 Non-Current Liabilities

Borrowing

Borrowing is R14,5 million less than budgeted, because of the full repayment on long outstanding creditor agreements. This was not anticipated during the budget process, but correctly disclosed in the financial statements.

Provisions

Increase in Non-current Provisions of R11.3 million mainly represent the larger than inflation increase on the Landfill Site Provision. This is due to the external experts report received from Jan Palm Engineering and additional estimates made towards the rehabilitation of the sites.

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46.02.5 Net Assets

Accumulated Surplus/(Deficit)

Accumulated Surplus is more than anticipated during the budget process, due to the much higher surplus in the Statement of Financial Performance. Surplus is mainly higher due to the actuarial gains, that can't be forecasted before hand due to the assumptions used by the expert actuaries.

46.03 Statement of Financial Performance

46.03.1 Revenue

Service Charges - Electricity Revenue

Billed revenue Electricity is R6.8 million less than budgeted, mainly due to the increase number of indigent subsidies provided and energy saving initiatives implemented. This have cause the use of conventional electricity to be much less than anticipated

Rental of Facilities and Equipment

Rental of facilities is R1.9 million more than budgeted, due to the increase in income received from rental of community halls. The budget is determined using past trends as a basis, which was lower than the actual revenue realised during 2017/18

Interest Earned - External Investments

Interest on external investments is R1 049 492 more than budgeted due to the large amount of funds invested during 2017/18. The increase is measured against the much improved cash flow position and ability to make investments during the current financial year

Fines

Fines revenue is R3.49 milion more than budgeted, due to the Provincial Fine revenue only recognized during audit process finalisation. Originally only municipal fines were recognized on accrual basis.

Transfers Recognised - Operational

Transfers Recognized operational is R10.8 million lower than budgeted mainly due additional project funding for the Human Settlement Development not transferred. Approval for the project was after 30 June 2018, and will be budgeted accordingly in the revised budget for 2018/19.

Other Revenue

Other revenue is more than budgeted by R5 million, due to the actuarial gains realised to the value of R6 million. This was not budgeted, as the assumptions used by expert actuaries can not be accurately forecasted during budget process.

Gains on Disposal of PPE

Gain on Disposal of assets were anticipated originally, not taking into account the large number of assets that were written-off in the 2017/18 financial year.

Transfers Recognised - Capital

Transfers Recognized Capital is R7.7 million lower than budgeted mainly due additional project funding for the Human Settlement Development not transferred. Approval for the project was after 30 June 2018, and will be budgeted accordingly in the revised budget for 2018/19. The Conditional grant towards Upgrading of Cango Caves was also not spent, due to late transfer and a roll-over application will be submitted to Provincial Treasury.

46.03.2 Expenditure

Employee Related Costs

Employee related cost is R15.8 million below budget, due to vacancies that budgeted and not filled.

Debt Impairment

Debt Impairment budgeted relates to the Reversal/Contribution towards bad debt provision. There was much less debt written-off than budgeted during 2017/18 that has led to a decrease in contribution that needs to be made. Actual to be written-off was in line with council resolutions, and could not be accurately forecasted during budget process

Depreciation and Asset Impairment

Depreciation on assets is R15.8 million higher than budgeted amount, due to the review of remaining useful lives that was now performed. The complete Fixed Asset Register was reviewed for the first time since inception, which have lead to adjustments on the depreciation charges

Finance Charges

Finance charges is R4.6 million lower than budgeted, due to the lower interest that was calculated on the provision for landfill sites. Discounting was performed, which lead to a decrease in finance charges

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Bulk Purshases

Bulk Purchases is R6.4 million lower than budgeted, due to energy saving initiatives leading to a lower consumption of electricity by consumers and consequantly lower purchases to be made by the municipality

Other Materials

Other materials are R8 million below budgeted amount, due to strict cost containment measures implemented to ensure a positive cash position. This underspending consists of inventory items and consumables that were not purchased.

Contracted Services

Contracted services are R2.5 million more than budgeted because of the reclassification in terms of the mSCOA Regulations. During budget process certain expenditure was classified as operational cost, but reallocated during the year-end procedures to Contracted Services. Refer to note 31 for detailed description of work performed

Transfers and Grants

Transfer and Grants is R1.4 million more than budgeted, because of the Emergency Housing Grant from Provincial Government being reclassified. It was shown as operational cost during budget process, and reclassified now according to mSCOA Regulations as Transfers and Subsidies.

Other Expenditure

Other Expenditure is R43.7 million lower than budget, this is mainly due to the underspending of the Human Settlement Grant - new housing project where funds were not transferred or expenditure incurred before 30 June 2018. The remainder of underspending is due to cost containment measures and operational cost items saved during 2017/18

46.04 Cash Flow Statement

46.04.1 Net Cash from Operating Activities

Service Charges

Actual Revenue from Services rendered were R12 million more than budgeted, due to the very strict debt collecting and revenue enhancement strategies that were implemented during the year. The budget was prepared on the assumption of a lower debt collection rate, than what was actual as at year end

Government - Operating

Operating grants were R10.8 million lower than budgeted mainly due additional project funding for the Human Settlement Development not transferred. Approval for the project was after 30 June 2018, and will be budgeted accordingly in the revised budget for 2018/19.

Government - Capital

Capital Grants were R7.7 million lower than budgeted mainly due additional project funding for the Human Settlement Development not transferred. Approval for the project was after 30 June 2018, and will be budgeted accordingly in the revised budget for 2018/19. The Conditional grant towards Upgrading of Cango Caves was also not spent, due to late transfer and a roll-over application will be submitted to Provincial Treasury.

Interest

Interest on investments and current bank account were more than budgeted due to the large amount of funds invested during 2017/18. The increase is measured against the much improved cash flow position and ability to make investments during the current financial year

Suppliers and Employees

Actual expenditure is R101 million lower than budget because it included conditional grant expenditure for projects that did not commence. The remainder of the saving is due to very strict cost containment and expenditure management.

Finance costs

Finance Cost is lower than budgeted, due to the incorrect inclusion of a non-cash item - finance charges on non current provisions that were incorrectly included. This was correctly treated in the financial statements and excluded

Transfers and Grants

Transfer and Grants is R1.4 million more than budgeted, because of the Emergency Housing Grant from Provincial Government being reclassified. It was shown as operational cost during budget process, and reclassified now according to mSCOA Regulations as Transfers and Subsidies.

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46.04.2 Net Cash from Investing Activities

Capital Assets

Capital expenditure is R9.8 million lower than budgeted which comprises mainly out of the Human Settlement Grant project and Infrastructure Upgrading of Cango Caves that did not commence during 2017/18. These projects will be budgeted in a roll-over revised budget 2018/19 if approval is granted by the Province.

46.04.3 Net Cash from Financing Activities

Increase/(Decrease) In Consumer Deposits

Consumer deposits is added to Ratepayers and Other, and not treated seperately for audit purposes.

Repayment of Borrowing

Repayment of borrowing were R12 million more than budget, because the repayment of long outstanding creditors in arrears were not included in this item during budget process. It was actual cash that was repaid and should have been included.

		2018 R	2017 R
47	**UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED**		
47.01	**Unauthorised expenditure**		
	Reconciliation of unauthorised expenditure:		
	Opening balance	313 708 083	313 708 083
	Unauthorised expenditure current year - operational	-	-
	Unauthorised expenditure current year - capital	-	-
	Approved by Council or condoned	-	-
	Transfer to receivables for recovery	-	-
	Unauthorised expenditure awaiting authorisation	313 708 083	313 708 083

Unauthorised expenditure can be summarised as follow:

			2018 R	2017 R
Incident		**Disciplinary steps/criminal proceedings**		
Over expenditure on votes 2016/17		*Resolution to be investigated*	-	-
Over expenditure on votes 2015/16		*Resolution to be investigated*	-	41 127 669
Over expenditure on votes 2014/15		*Resolution to be investigated*	-	87 309 086
Capital funds used to pay operational costs		*Resolution to be investigated*	-	8 349 173
Funding not spent in accordance with intended purposes		*Resolution to be investigated*	-	1 904 664
Over expenditure on votes 2013/2014		*Resolution to be investigated*	-	59 890 226
Over expenditure on votes 2012/2013- adjusted		*Resolution to be investigated*	-	38 983 113
Over expenditure on votes 2011/2012		*Resolution to be investigated*	-	3 984 088
Over expenditure on votes 2010/2011		*Resolution to be investigated*	-	26 420 092
Over expenditure on votes 2009/2010		*Resolution to be investigated*	-	9 181 875
Over expenditure on votes 2008/2009		*Resolution to be investigated*	-	36 558 096
			-	313 708 083

	2018 Actual R	2018 Final Budget R	2018 Variance R	2018 Unauthorised R
Unauthorised expenditure current year - operating				
Community And Public Safety	106 251 632	109 157 801	2 906 169	-
Corporate Services	23 984 503	25 853 854	1 869 351	-
Executive & Council	58 487 898	64 295 913	5 808 015	-
Financial Services	36 351 473	41 112 422	4 760 949	-
Human Settlement	41 529 291	56 568 902	15 039 611	-
Municipal Manager	16 127 347	19 209 443	3 082 096	-
Strategic Services	16 270 831	17 994 360	1 723 529	-
Technical Services	273 938 632	277 580 329	3 641 697	-
	572 941 607	611 773 024	38 831 417	-

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	2018 Actual R	2018 Final Budget R	2018 Variance R	2018 Unauthorised R
Unauthorised expenditure current year - capital				
Community And Public Safety	2 773 201	5 030 791	2 257 590	-
Corporate Services	106 883	120 000	13 117	-
Financial Services	2 968 579	3 105 000	136 421	-
Human Settlement	16 120 067	18 186 497	2 066 430	-
Municipal Manager	135 489	1 499 789	1 364 300	-
Technical Services	34 756 275	39 763 113	5 006 838	-
	56 860 493	67 705 190	10 844 697	-

	2018 R	2017 R
47.02 Fruitless and wasteful expenditure		
Reconciliation of fruitless and wasteful expenditure:		
Opening balance	34 956 608	33 659 515
Fruitless and wasteful expenditure current year	477 042	1 297 093
Condoned or written off by Council	-	-
Transfer to receivables for recovery - not condoned	-	-
Fruitless and wasteful expenditure awaiting condonement	35 433 650	34 956 608

Fruitless and wasteful expenditure can be summarised as follow:

Incident		Disciplinary steps/criminal proceedings	2018 R	2017 R
Interest paid on arrear invoices of The Business Zone 2713		*None*	-	276 214
Interest paid on arrear invoices of Coetzee & Van den Berg Attorneys		*None*	-	7 962
Interest paid on arrear invoices of CF van der Mescht		*None*	26 057	98 304
Interest paid on arrear invoices of Nurcha Financial Services		*None*	315 698	550 040
Interest paid on arrear invoices of Umvoto		*None*	111 199	299 662
Interest paid on arrear invoices of Lyners		*None*	24 087	64 911
			477 042	1 297 093

	2018 R	2017 R
47.03 Irregular expenditure		
Reconciliation of irregular expenditure:		
Opening balance	280 598 811	269 086 697
Irregular expenditure current year	47 416 637	11 512 114
Expenditure authorised i.t.o. Section 32 of MFMA	-	-
Condonement supported by council	-	-
Transfer to receivables for recovery - not condoned	-	-
Irregular expenditure awaiting further action	328 015 448	280 598 811

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Irregular expenditure can be summarised as follow:

Incident		Disciplinary steps/criminal proceedings	2018 R	2017 R
Deviations not justifiable		Ongoing	-	76 299
Three quotations not obtained, no reason for deviation, deviation not approved		Ongoing	-	18 877
False declaration of interest		Ongoing	-	188 095
Declaration of interest not submitted by supplier		Ongoing	81 150	
Deviations not approved		Ongoing	-	185 202
Multiple deviations approved to the same supplier for the same service		Ongoing	42 415	253 720
Three quotations not obtained		Ongoing	-	17 600
No procurement process followed		Ongoing	142 619	482 044
No quotation process followed		Ongoing	-	69 459
No motivation for obtaining less than three quotes		Ongoing	-	209 577
Three quotations not obtained, no deviation process		Ongoing	25 389	632 368
No contracts available		Ongoing	616	48 524
Invoice handed in after 3 months non-compliance Sect 65 2 '(e) MFMA Suppliers to be paid within 30 days of invoice or		Ongoing	-	9 351
Work done without purchase order		Ongoing	-	799 163
Work done without purchase order/not registered on CSD		Ongoing	2 610	2 052
Legal Case - Oudtshoorn Municipality vs Karoo Valley Farm		Ongoing	-	48 721
Payments made to suppliers exceed contract price		Ongoing	1 901 464	4 222 153
Employee Allowances paid in contravention of act		Ongoing	-	217 739
Tender advertised for less than required number of days		Ongoing	896 762	
Payments exceeding the tender price, disclosed current year but incurred prior periods		Ongoing	11 690 426	
Extension of Sec 32 Contract - ASLA not allowed		Ongoing	32 571 410	
Exenditure paid above tender value		Ongoing	11 981	
Preferential Procurement Points calculation - VAT not taken into account		Ongoing	49 795	
Formal Written price quotation process not followed for awards of procurements of a transaction value over R10,000		Ongoing	-	481 318
Competitive bidding process not followed for amounts exceeding R200,000		Ongoing	-	2 390 133
Entered into inactive contracts secured by another organ of state		Ongoing	-	544 123
No employee files		Ongoing	-	605 250
Bonus paid in contravention with agreement		Ongoing	-	10 348
			47 416 637	**11 512 114**

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

		2018 R	2017 R
48	**ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**		
48.01	**Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)**		
	Opening balance	68 338	3 079 325
	Council subscriptions	2 161 011	2 215 942
	Amount paid - current year	(2 161 011)	(3 256 163)
	Correction of error note 40.1		(1 970 765)
	Amount paid - previous years	(68 338)	
	Balance unpaid (included in creditors)	**-**	**68 338**

		2018 R	2017 R
48.02	**Audit fees - [MFMA 125 (1)(c)]**		
	Opening balance	(941 533)	2 078 288
	Current year audit fee	6 846 126	3 141 868
	External Audit - Auditor-General	6 846 126	3 141 868
	Amount paid - current year	(6 846 126)	(6 161 689)
	Amount paid - previous year	941 533	
	Balance unpaid (included in creditors)	**-**	**(941 533)**

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		2018 R	2017 R
48.02	**VAT - [MFMA 125 (1)(c)]**		
	Opening balance	(2 922 650)	(7 078 850)
	Nett movements	(5 205 182)	4 156 200
	Closing balance - Receivable	(8 127 832)	(2 922 650)
	Input VAT	3 324 779	5 486 830
	Output VAT	(11 452 611)	(8 409 480)
	Receivable	(8 127 832)	(2 922 650)

VAT is payable/receivable on the invoice basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors.

		2018 R	2017 R
48.03	**PAYE, SDL and UIF - [MFMA 125 (1)(c)]**		
	Opening balance	-	
	Current year payroll deductions	26 984 904	20 421 368
	Amount paid - current year	(26 984 904)	(20 421 368)
	Balance unpaid (included in creditors)	-	-

		2018 R	2017 R
48.04	**Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]**		
	Opening balance	-	
	Current year payroll deductions and Council Contributions	52 170 011	45 007 605
	Amount paid - current year	(52 170 011)	(45 007 605)
	Amount paid - previous year		
	Balance unpaid (included in creditors)	-	-

48.05 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]

Councillor's did not have arrears debt outstanding longer than 90 days during the current or prior periods under review

48.06 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

2017

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b)

			Type of Deviation		
	Amount	Single Supplier	Impossible	Impractical	Emergency
Total	6 162 370	1 480 231	3 429 027	520 700	732 412

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Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b)

			Type of Deviation		
	Amount	Single Supplier	Impossible	Impractical	Emergency
July	164 281	-	164 281	-	-
August	82 811	-	82 811	-	-
September	-	-	-	-	-
October	-	-	-	-	-
November	-	-	-	-	-
December	25 080	-	-	-	25 080
January	412 529	-	107 372	-	305 157
February	312 390	63 413	248 977	-	-
March	293 012	26 843	266 168	-	-
April	6 677 279	-	160 268	-	6 517 011
May	1 550 443	22 242	1 158 953	-	369 249
June	6 973 007	2 995	1 073 012	-	5 897 000
Total	16 490 832	115 492	3 261 843	-	13 113 496

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		2018 R	2017 R
48.07	**Material losses**		
	Electricity distribution losses		
	Units purchased (Kwh)	152 635 303	155 261 354
	Units lost during distribution (Kwh)	12 440 820	15 616 883
	Percentage lost during distribution	8.15%	10.06%

		2018 R	2017 R
	Water distribution losses		
	Units purchased (ml)	6 451 108	6 988 632
	Units lost during distribution (ml)	1 135 134	513 026
	Percentage lost during distribution	17.60%	7.34%

		2018 R	2017 R
49	**FINANCIAL RISK MANAGEMENT**		

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price Risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

	2018 R	2017 R
The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:		
1% (2017: 1%) Increase in interest rates	29 709	(1 090 328)
1% (2017: 1%) Decrease in interest rates	(29 709)	545 164

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

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	2018 %	2018 R	2017 %	2017 R
Non-exchange Receivables				
Rates	100.00%	7 613 461	100.00%	6 919 229
Exchange Receivables				
Electricity	36.06%	14 223 240	29.13%	11 687 288
Water	19.41%	7 657 147	22.61%	9 072 455
Property Rentals	0.00%	-	0.00%	(1)
Waste Management	7.25%	2 859 367	9.20%	3 690 487
Waste Water Management	10.13%	3 996 431	12.21%	4 899 784
Units not billed	17.61%	6 947 073	13.08%	5 246 567
Water and Sanitation Service Authority	0.00%	-	0.00%	-
Klein Karoo Water Scheme	2.46%	968 353	8.42%	3 379 596
Legal Fees Recovery	1.84%	727 184	3.06%	1 225 968
Sundry municipal charges	5.18%	2 043 164	2.23%	895 294
Prepaid expenditure	0.04%	17 529	0.06%	25 124
Other receivables	0.00%	0	0.00%	(1)
	100.00%	39 439 489	100.00%	40 122 562

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 8 and 9 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of receivables as follow:

	2018 %	2018 R	2017 %	2017 R
Non-exchange Receivables				
Rates	17.78%	12 423 081	13.88%	10 817 518
Fines	13.85%	9 675 074	19.58%	15 263 444
Exchange Receivables				
Services	68.37%	47 777 162	66.55%	51 880 376
	100.00%	69 875 317	100.00%	77 961 338

The provision for bad debts could be allocated between the different categories of receivables as follow:

	2018 %	2018 R	2017 %	2017 R
Government	0.50%	351 356	0.78%	608 272
Business	2.40%	1 678 645	2.87%	2 237 429
Residential	74.64%	52 155 973	66.52%	51 856 326
Indigents	10.16%	7 101 830	9.73%	7 588 710
Other	12.29%	8 587 513	20.10%	15 670 600
	100.00%	69 875 317	100.00%	77 961 338

Balances past due not Impaired:	2018 %	2018 R	2017 %	2017 R
Non-exchange Receivables				
Rates	57.11%	2 568 731	50.12%	2 729 698
Fines	42.89%	1 929 159	49.88%	2 716 343
	100.00%	4 497 891	100.00%	5 446 042
Exchange Receivables				
Services	100.00%	11 827 051	100.00%	11 143 570
	100.00%	11 827 051	100.00%	11 143 570

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	2018 R	2017 R
Financial assets exposed to credit risk at year end are as follows:		
Receivables from exchange transactions	39 439 489	40 122 563
Receivables from non-exchange transactions	10 837 179	12 097 800
Cash and Cash Equivalents	63 510 176	23 517 914
	113 786 844	75 738 277
The municipality is also exposed to a number of guarantees issued in favour of trade creditors. These guarantees are listed below:		
Guarantee held at Standard Bank of South Africa in the favour of AFS Fuel	200 000	200 000
Guarantee held at Standard Bank of South Africa in the favour of ESKOM	409 100	409 100
	609 100	609 100

(e) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

2018	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
Long-term Liabilities	21 682 393	52 136 995	2 808 790	-
Provision for Rehabilitation of Landfill-sites	7 445 361		13 546 166	242 733 462
Trade and Other Payables	50 630 762	-	-	-
Unspent Conditional Grants and Receipts	9 695 218			
	89 453 735	52 136 995	16 354 956	242 733 462

2017	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
Long-term Liabilities	39 611 099	70 910 647	5 484 326	-
Provision for Rehabilitation of Landfill-sites	6 443 115		11 882 696	278 759 135
Trade and Other Payables	36 074 284	-	-	-
Unspent Conditional Grants and Receipts	10 187 510	-	-	-
	92 316 008	70 910 647	17 367 022	278 759 135

50 FINANCIAL INSTRUMENTS

In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:

50.01 Financial Assets	Classification	2018 R	2017 R
Receivables from Exchange Transactions			
Electricity	Financial Instruments at amortised cost	19 972 192	19 526 342
Water	Financial Instruments at amortised cost	25 396 161	25 932 975
Property Rentals	Financial Instruments at amortised cost	590	589
Waste Management	Financial Instruments at amortised cost	11 470 886	13 428 532
Waste Water Management	Financial Instruments at amortised cost	13 479 941	14 670 153
Klein Karoo Water Scheme	Financial Instruments at amortised cost	3 362 475	5 526 402
Legal Fees Recovery	Financial Instruments at amortised cost	727 184	1 225 968
Sundry municipal charges	Financial Instruments at amortised cost	5 816 667	6 075 452
Other	Financial Instruments at amortised cost	25 953	25 953

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		2018 R	2017 R
Receivables from Non-Exchange Transactions			
Suspense Debtors	Financial Instruments at amortised cost	1 195 159	1 778 809

		2018 R	2017 R
Cash and Cash Equivalents			
Bank Balances	Financial Instruments at amortised cost	-	-
Call Deposits	Financial Instruments at amortised cost	63 510 176	23 517 914
Primary Bank Account	Financial Instruments at amortised cost	7 459 285	4 338 394
Cash on hand	Financial Instruments at amortised cost	37 860	37 815
Total Financial Assets		152 454 528	116 085 298

		2018 R	2017 R
SUMMARY OF FINANCIAL ASSETS			
Financial Instruments at amortised cost:			
Receivables from Exchange Transactions	Electricity	19 972 192	19 526 342
Receivables from Exchange Transactions	Water	25 396 161	25 932 975
Receivables from Exchange Transactions	Property Rentals	590	589
Receivables from Exchange Transactions	Waste Management	11 470 886	13 428 532
Receivables from Exchange Transactions	Waste Water Management	13 479 941	14 670 153
Receivables from Exchange Transactions	Klein Karoo Water Scheme	3 362 475	5 526 402
Receivables from Exchange Transactions	Legal Fees Recovery	727 184	1 225 968
Receivables from Exchange Transactions	Sundry Debtors	5 816 667	6 075 452
Receivables from Exchange Transactions	Short-term Loans	25 953	25 953
Receivables from Non-exchange Transactions	Suspense Debtors	1 195 159	1 778 809
Cash and Cash Equivalents	Call Deposits	63 510 176	23 517 914
Cash and Cash Equivalents	Primary Bank Account	7 459 285	4 338 394
Cash and Cash Equivalents	Cash on hand	37 860	37 815
		152 454 528	116 085 298
Total Financial Assets		152 454 528	116 085 298

50.02 Financial Liabilities	Classification	2018 R	2017 R
Long-term Liabilities			
Annuity Loans	Financial Instruments at amortised cost	50 787 593	59 717 075
Government Loans	Financial Instruments at amortised cost	9 751 699	13 621 090
Agreements with suppliers	Financial Instruments at amortised cost	-	18 834 732

		2018 R	2017 R
Trade and Other Payables			
Trade Payables	Financial Instruments at amortised cost	43 396 116	34 067 896
Control, Clearing and Interface Accounts	Financial Instruments at amortised cost	684 564	-
Retentions	Financial Instruments at amortised cost	1 571 315	1 762 211
		106 191 288	109 168 272

		2018 R	2017 R
SUMMARY OF FINANCIAL LIABILITIES			
Financial instruments at amortised cost:			
Long-term Liabilities	Annuity Loans	50 787 593	59 717 075
Long-term Liabilities	Government Loans	9 751 699	13 621 090
Trade and Other Payables	Trade Payables	43 396 116	34 067 896
Trade and Other Payables	Control, Clearing and Interface Accounts	684 564	-
Trade and Other Payables	Retentions	1 571 315	1 762 211
		106 191 288	109 168 272

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		2018 R	2017 R
51	**STATUTORY RECEIVABLES**		
	In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:		
	Taxes		
	VAT Receivable	3 324 779	5 486 830
	Receivables from Non-Exchange Transactions	31 740 176	33 130 027
	Rates	20 036 542	17 736 747
	Fines	11 703 633	15 393 280
	Total Statutory Receivables (before provision)	**35 064 955**	**38 616 857**
	Less: Provision for Debt Impairment	(21 134 453)	(25 117 260)
	Total Statutory Receivables (after provision)	**13 930 502**	**13 499 597**

	2018 R	2017 R
Reconciliation of Provision for Debt Impairment		
Balance at beginning of year	25 117 260	22 080 758
Contribution to provision	8 504 071	13 214 212
Bad Debts Written Off	(12 486 878)	(10 177 710)
Balance at end of year	**21 134 453**	**25 117 260**

	2018 R	2017 R
Balances past due not impaired		
Non-exchange	4 497 891	5 446 042
	4 497 891	**5 446 042**

		2018 R	2017 R
52	**IN-KIND DONATIONS AND ASSISTANCE**		
	The following officials provided services in-kind to the municipality in support of the Section 139 Intervention with the purpose of aiding with the financial, operational and institutional recovery of the municipality:		
	The municipality received the following in-kind donations and assistance:		
	Ms. Simms, funded by Department of Human Settlement through a subsidy that who's revenue is recognized in terms of GRAP 23		
	Total In-kind Donations and Assistance		
53	**SUBSEQUENT EVENTS**		
53.01	**Approval of asset write offs** During the audit verification, conducted from March 2018 to July 2018, assets were found that were obsolete. The listing was sent to Council to approve the write offs of these assets. Assets were written off in the financial statements on 30 June 2018. Council approved the write offs in August 2018.		

		2018 R	2017 R
54	**PRIVATE PUBLIC PARTNERSHIPS**		
	Council has not entered into any private public partnerships during the financial year.		

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55 CONTINGENT LIABILITY

The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. The following are the estimates:

Description of event

55.01	**Cobus Louw Professional Engineers CC v Oudtshoorn Municipality**		
	On/about the 17th of January 2014 the Municipality requested assistance from Cobus Louw Professional Engineers CC for the sourcing of external funding for possible infrastructure projects totalling R20,000,000. As per this request the sourcing of MIG funding was excluded. In terms of ECSA, a 30% of the total amount of project fees was due to the supplier which amounted to R560,960, but only paid R66 543. Although no summons was issued, we are of opinion that a contingent liability exist for the amount of R494,364.	494 364	494 364
55.02	**P Esterhuizen v Oudtshoorn Municipality**		
	Mr Pieter Esterhuizen made a claim of R52 290. for personal injuries sustained allegedly due to the road works done by the municipality. The insurance rejected the claim, and subsequently a summons was served against the municipality. The insurance company of the municipality is defending the matter.	52 290	52 290
55.03	**D Hendricks vs. Oudtshoorn Municipality**		
	Mr Henricks made a claim of R50 000. for personal injuries sustained allegedly due to an uneven pavement that he fell and sustained injuries. The insurance rejected the claim, and subsequently a summons was served against the municipality. The insurance company of the municipality is defending the matter.	50 000	
55.04	**D Hendricks vs. Oudtshoorn Municipality**		
	Mr. Bence made a claim of R 218 000 in respect of monies paid in respect of arrears rates and services to obtain a clearance certificate, he is placing reliance on a constitutional court judgement made after the date of payment, the municipality is defending the matter and according to our attorney the applicant has very little chance of success.	218 000	
		814 654	546 654

		2018 R	2017 R
56	**CONTINGENT ASSET**		
56.01	**Oudtshoorn Municipality v Imvusa Trading (Pty) Ltd**		
	The municipality disclosed under payables from exchange transactions the amount of R 3,4 million in respect of the creditor, Imvusa Trading for services relating to road repairs allegedly rendered and invoiced, the municipality instituted a counter claim for a similar amount as the payable claimed, for undue enrichment stemming from the irregular extension of the contract to Imvusa Trading (Pty) Ltd.	3 000 000	3 975 896

		2018 R	2017 R
57	**RELATED PARTIES**		

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

57.01 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted.

57.02 Compensation of key management personnel

The compensation of key management personnel is set out in note 29 to the Annual Financial Statements.

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		2018 R	2017 R

58 Other related party transactions

The following purchases were made during the year where councillors or staff have an interest:

Company Name	Related Party	Service Capacity	Relationship		
Imvusa Trading 1581 CC	A Le Kay	Manager: Cleansing Services	Wife of Manager: Cleansing Services	40 360	65 805
Imvusa Trading 1581cc t/a MAM	A Le Kay	Manager: Cleansing Services	Wife of Manager: Cleansing Services	1 470	
Imvusa Trading	A Le Kay	Manager: Cleansing Services	Wife of Manager: Cleansing Services		166 647
Kaybess Development Projects	V Booysen	Manager: Special Projects	Brother of Manager: Special Projects	26 000	
BDE Consulting Engineers		Senior Manager: Electrical Services	Family member is in service of the state		252 331
Volmoed Quarries	A Le Kay	Manager: Cleansing Services	Wife of Manager: Cleansing Services	165 437	141 371
Buffelsdrift Clay Mine		Councillor	The suppliers family member is a Councillor at the Municipality	-	794 007
Spring Forest Trading 184 cc			Mother in law is in service of Oudtshoorn Municipality	-	9 313
Vukani Builders		Councillor	Father of a regional councillo	-	9 990
Hi- Tech Auto Engineering		Councillor	Shareholder is child of a councillor	-	66 499
				233 267	1 505 963

59 FINANCIAL SUSTAINABILITY

59.01 Going concern

There has been a markable improvement in both the financial position and financial performance since the 2015/2016 financial year and through the subsequent financial years since the administration was lifted after the Local Government elections of 2016. Various cost savings initiatives, revenue enhancement, and debt collection efforts have aided in the improvement of the financial performance as well as the liquidity position of the municipality. The strengthening of financial and other internal controls have also aided in the financial recovery process of the municipality. Senior personnel are enforcing financial strategies and strict financial controls aimed at further improving accountability and reducing unnecessary expenditure also ensuring that more care is taken by the sub-ordinate managers and staff members in general, in the utilization of municipal resources.

Management is therefore of the opinion that will municipality will continue to operate as a going concern and perform it's functions as set out in the Constitution.

Financial Indicators

- The current assets to current liabilities ratio is 1.05:1 which is below the norm of between 1.5 to 2:1 as stated in the National Treasury MFMA circular no. 71.
 A slight improvement on the 0.75:1 reported in the prior year.
- A consecutive surplus was realized from the comparative year.

Other Indicators

Possible outflow of recourses due the contingent liability disclosed in note 58.

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2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2018

	Cost/Revaluation							Accumulated Depreciation and Impairment Losses						Carrying Value
	Opening Balance	Additions	Under Construction	Contributing PPE	Disposals/ Impairment	Written Off / Derecognised	Closing Balance	Opening Balance	Depreciation	Transfers	Disposals/ Impairment	Written Off / Derecognised	Closing Balance	
Land and Buildings														
Land	74 555 181	-					74 555 181	-					-	74 555 181
Buildings	59 414 012		134 716				59 548 729	23 969 310	2 395 618				26 364 929	33 183 800
	133 969 194	-	134 716	-	-	-	134 103 910	23 969 310	2 395 618	-	-	-	26 364 929	107 738 981
Infrastructure														
Electricity	126 270 240	5 608 097	17 139 626	-	-		148 017 962	42 265 947	4 279 730	-	-		46 565 677	101 452 285
Water Supply	361 626 680	71 736	11 635 576	-	-		363 232 871	87 039 019	8 732 004	-	-		95 771 023	267 461 848
Sanitation	85 656 710	479 962	-	-	-		86 136 671	19 490 415	2 496 226	-	-		21 986 641	64 150 030
Roads & Stormwater	215 224 598	13 845 585	1 643 811	-	-		230 713 994	68 466 421	6 980 466	-	-		75 446 877	155 267 117
Solid Waste	4 979 787	-	731 433	-	-		5 706 221	-	-	-	-		-	5 706 221
	793 653 995	20 005 380	31 160 445	-	-		833 809 820	217 261 902	22 488 417	-	-		239 770 219	594 039 601
Community Assets														
Libraries	7 434 673	-	-	-	-		7 434 673	3 161 419	315 169	-	-		3 476 609	3 958 284
Civic Buildings	3 409 159	-	-	-	-		3 409 159	1 317 754	135 574	-	-		1 453 328	1 955 831
Recreational Facilities	81 232 999	-	-	-	-		81 232 999	33 194 749	3 468 590	-	-		36 663 339	44 569 661
Cemeteries	1 982 428	-	-	-	-		1 982 428	697 066	69 495	-	-		766 560	1 215 877
	94 059 459	-	-	-	-		94 059 459	38 370 977	3 988 849	-	-		42 359 826	51 699 634
Lease Assets														
Vehicles and Office Equipment	21 434 787	1 191 725	-	-	-	(1 993 071)	20 633 441	8 382 088	5 273 372	-	-	(1 993 071)	11 662 389	8 971 052
	21 434 787	1 191 725	-	-	-	(1 993 071)	20 633 441	8 382 088	5 273 372	-	-	(1 993 071)	11 662 389	8 971 052
Other Assets														
Office Equipment	6 226 798	328 562	-	5 262	-	(731 576)	5 823 046	4 504 986	967 824	-	-	(810 585)	4 662 224	940 821
Furniture & Fittings	5 293 756	436 024	-	3 489	-	(533 946)	5 099 322	3 393 014	466 024	-	-	(463 765)	3 407 273	1 692 049
Motor vehicles	6 619 972	1 903 277	-	-	-	(99 736)	8 723 514	3 782 766	482 741	-	-	(99 073)	4 166 434	2 564 080
Emergency Equipment	289 731	-	-	-	-	(12 244)	277 487	290 359	33 018	-	-	(10 497)	312 880	34 491
Computer Equipment	4 403 760	1 629 763	-	-	-	(735 788)	5 297 754	2 638 945	579 964	-	-	(563 216)	2 554 693	2 743 062
Workshop Equipment and Tools	6 573 452	796 257	-	185 991	-	(550 116)	7 005 584	4 112 677	865 654	-	-	(732 981)	4 245 550	2 770 035
Trucks	12 634 206	-	-	-	-		12 634 206	8 996 437	616 457	-	-	-	9 262 894	3 351 314
	41 240 875	4 488 882	-	194 742	-	(3 663 383)	42 860 916	27 219 424	4 022 682	-	-	(2 457 845)	28 775 055	14 085 856
Total	1 073 358 199	25 685 987	31 295 162	194 742	-	(5 656 454)	1 125 467 648	315 223 691	38 168 938	-	-	(4 450 916)	349 932 420	775 535 128

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	Cost/Revaluation							Accumulated Depreciation and Impairment Losses						Carrying Value
	Opening Balance	Additions	Under Construction	Transfers	Disposals/ Impairment	Written Off / Derecognise	Closing Balance	Opening Balance	Depreciation	Transfers	Disposals/ Impairment	Written Off / Derecognise	Closing Balance	
Land and Buildings														
Land	74 555 181	-	-	-	-	-	74 555 181	-	-	-	-	-	-	74 555 181
Balance Previously Reported	82 901 885	-	-	-	-		82 901 885	13 128	-	-	8 179 474		8 192 600	74 709 285
Correction of error note 40.01	(8 346 704)						(8 346 704)	(13 128)			(8 179 474)		(8 192 600)	(154 104)
Buildings	59 414 012	-	-	-	-	-	59 414 012	21 573 892	2 395 618	-	-	-	23 969 310	35 444 702
Balance Previously Reported	43 761 081	3 299 710	-	-	-	(213 833)	46 846 959	3 927 376	440 319	-	663 470	(209 990)	4 821 175	42 025 784
Transfer additions out		(3 299 710)					(3 299 710)						-	(3 299 710)
Transfer additions in							-						-	-
Correction of error note 40.01	15 652 931						15 652 931	17 646 316	1 955 299		(663 470)		18 938 145	(3 285 215)
Correction of error note 40.01						213 833	213 833					209 990	209 990	3 843
	133 969 194	-	-	-	-	-	133 969 194	21 573 892	2 395 618	-	-	-	23 969 310	109 999 883
Infrastructure														
Electricity	121 676 067	3 594 172	-	-	-	-	125 270 240	38 068 277	4 217 669	-	-	-	42 285 947	82 984 293
Balance Previously Reported	76 504 696	783 861	8 099 830	-	-		85 388 387	23 475 098	1 612 178	-	-		24 987 276	60 401 111
Transfer additions out		(783 861)	(8 099 830)				(8 883 691)						-	(8 883 691)
Transfer additions in		3 594 172					3 594 172						-	3 594 172
Correction of error note 40.01	45 171 372						45 171 372	14 593 180	2 705 492				17 298 672	27 872 700
Water	348 747 409	993 228	1 785 023	-	-	-	351 525 660	79 283 723	5 785 296	-	-	-	87 039 019	264 486 641
Balance Previously Reported	326 309 592	-	1 829 421	-	-		328 139 313	113 164 928	4 901 579	-	-		118 066 407	210 082 905
Transfer additions out			(1 829 421)				(1 829 421)						-	(1 829 421)
Transfer additions in		993 228	1 844 174				2 837 403						-	2 837 403
Correction of error note 40.01	22 437 817		(59 151)				22 378 666	(34 901 105)	3 883 717				(31 017 388)	53 395 754
Sanitation	78 943 959	6 712 751	-	-	-	-	85 656 710	17 502 683	1 997 732	-	-	-	19 490 415	66 166 294
Balance Previously Reported	49 716 341	2 251 166	949 166	-	-	(397 071)	52 519 591	13 612 233	977 200	-	-	(164 710)	14 424 724	38 094 867
Transfer additions out		(2 251 166)	(949 155)				(3 200 321)						-	(3 200 321)
Transfer additions in		6 712 751					6 712 761						-	6 712 751
Correction of error note 40.01						397 071	397 071					164 710	164 710	232 362
Correction of error note 40.01	29 227 618						29 227 618	3 890 450	1 020 531				4 900 981	24 326 636
Roads and Storm water	198 246 709	16 977 890	-	-	-	-	215 224 598	61 523 040	5 943 381	-	-	-	88 466 421	146 758 177
Balance Previously Reported	187 963 736	14 721 376	1 284 960	-	-		203 970 093	62 018 831	5 184 024	-	-		67 202 855	136 767 238
Transfer additions out		(14 721 376)	(1 284 960)										-	
Transfer additions in		16 977 890					16 977 890						-	16 977 890
Correction of error note 40.01	10 282 973						10 282 973	(495 791)	1 759 356				1 263 566	9 019 408
Solid Waste	1 736 229	-	3 240 558	-	-	-	4 976 787	-	-	-	-	-	-	4 976 787
Balance Previously Reported							-						-	-
Transfer additions in			3 240 558											
Correction of error note 40.01	1 736 229						1 736 229						-	1 736 229
	749 350 372	28 276 841	5 025 581	-	-	-	782 653 995	195 347 724	21 334 076	-	-	-	217 281 802	565 372 192

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Community Assets														
Parks and Gardens	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance Previously Reported	34 064 189	-	-	-	-		34 064 189	3 942 467	345 013	-	156 043		4 445 623	29 920 666
Transfer between class	(34 064 189)							(3 942 467)	(345 013)					-
Correction of error note 40.01							-				(156 043)		(156 043)	156 043
Libraries	7 434 873	-	-	-	-	-	7 434 873	2 846 230	315 189	-	-	-	3 161 419	4 273 454
Balance Previously Reported	4 063 756	-	-	-	-		4 063 756	320 206	40 636	-	-		360 841	3 702 915
Correction of error note 40.01	3 371 117						3 371 117	2 526 024	274 553				2 800 578	570 539
Recreational Facilities	80 669 385	563 635	-	-	-	-	81 233 020	29 585 276	3 309 474	-	-	-	33 194 749	48 038 271
Balance Previously Reported	46 016 996	37 399	795 708	-	-		46 849 103	1 576 675	460 972	-	-		2 327 847	44 521 256
Transfer additions out		(37 399)	(795 708)				(833 107)						-	(833 107)
Transfer additions in	34 064 189	563 635					34 627 824	3 942 467	345 013				4 287 480	30 340 344
Correction of error note 40.01	(1 410 820)						(1 410 820)	24 065 833	2 513 489				26 579 422	(27 990 242)
Civic Buildings	3 282 959	126 200	-	-	-	-	3 409 159	1 185 376	131 378	-	-	-	1 317 754	2 091 405
Balance Previously Reported	8 401 200	-	-	-	-		8 401 200	971 997	84 018	-	511 283		1 206 868	7 194 331
Transfer additions in		126 200					126 200						-	126 200
Correction of error note 40.01	(5 118 241)						(5 118 241)	514 809	47 360		(511 283)		50 885	(5 169 127)
Cemeteries	1 982 429	-	-	-	-	-	1 982 429	627 560	69 495	-	-	-	697 055	1 285 373
Balance Previously Reported	-	-	-	-	-		-						-	-
Correction of error note 40.01	1 982 429						1 982 429	627 560	69 496				697 056	1 285 373
	93 363 625	589 835	-	-	-	-	94 059 459	34 545 449	3 825 537	-	-	-	38 370 977	55 688 482
Lease Assets														
Vehicles and Office Equipment	9 792 081	14 630 401	-	-	-	(2 987 676)	21 434 787	9 977 091	1 577 995	-	114 708	(2 987 676)	8 682 098	13 082 689
	9 792 081	14 630 401	-	-	-	(2 987 676)	21 434 787	9 977 091	1 577 995	-	114 708	(2 987 676)	8 682 098	13 082 689
Other Assets														
Office Equipment	6 268 937	89 923	-	-	-	(133 064)	6 225 796	4 999 196	511 331	-	-	(195 454)	4 504 986	1 720 810
Balance Previously Reported	5 240 446	89 923	-	-	-	(133 064)	5 197 305	4 980 994	511 331	-	-	(105 454)	4 486 871	1 710 434
Correction of error note 40.01	28 491						28 491	18 115					18 115	10 376
Furniture & Fittings	5 333 611	36 391	-	-	-	(74 647)	5 293 755	3 829 892	418 131	-	-	(54 919)	3 393 014	1 900 741
Balance Previously Reported	5 330 054	36 391	-	-	-	(74 647)	5 291 398	3 028 291	418 131	-	-	(54 919)	3 391 503	1 899 895
Correction of error note 40.01	2 357						2 357	1 511					1 511	846
Motor vehicles	6 214 680	-	-	-	-	(694 678)	5 519 972	3 850 376	402 167	-	-	(469 778)	3 782 766	1 737 206
Balance Previously Reported	6 211 574	-	-	-	-	(694 678)	5 516 896	3 848 000	402 167			(469 778)	3 780 391	1 736 305
Correction of error note 40.01	3 277						3 277	2 376					2 376	901
Emergency Equipment	328 014	-	-	-	-	(39 283)	288 731	225 972	25 051	-	-	(30 624)	220 399	68 333
Balance Previously Reported	328 630	-	-	-	-	(39 283)	289 347	225 719	25 051			(30 624)	220 146	69 201
Correction of error note 40.01	385						385	253					253	131
Computer Equipment	3 661 926	609 818	-	-	-	(67 968)	4 403 760	2 193 295	398 967	-	-	(53 318)	2 538 945	1 864 815
Balance Previously Reported	3 655 886	609 818	-	-	-	(67 968)	4 397 717	2 189 295	398 967			(53 318)	2 534 907	1 862 810
Correction of error note 40.01	6 040						6 043	4 036					4 038	2 006
Workshop Equipment and Tools	6 897 955	34 268	-	-	-	(158 791)	6 873 432	3 671 830	569 649	-	-	(126 882)	4 112 577	2 760 576
Balance Previously Reported	6 878 123	34 268	-	-	-	(158 791)	6 853 620	3 659 426	569 649			(126 882)	4 100 472	2 753 147
Correction of error note 40.01	19 833						19 833	12 404					12 404	7 429
Trucks	14 239 226	-	-	-	-	(1 605 118)	12 634 208	9 373 114	629 692	-	-	(1 339 369)	8 663 437	3 967 771
	43 245 022	769 420	-	-	-	(2 773 757)	41 240 675	26 443 497	2 955 188	-	-	(2 179 262)	27 219 424	14 021 251
Total	1 929 726 274	44 387 697	5 025 581	-	-	(5 761 443)	1 073 358 109	287 887 445	32 696 386	-	114 708	(5 166 938)	315 223 601	758 134 508

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APPENDIX A
OUDTSHOORN LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2018

EXTERNAL LOANS	Rate	Redeemable	Balance at 30 June 2017	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2018	Carrying Value of Property, Plant & Equipment	Other Costs in accordance with the MFMA
ANNUITY LOANS									
Standard Bank	12.65%	2021/06	11 838 406	-	-	(2 439 640)	9 398 766	-	-
Standard Bank	11.70%	2021/06	-				-		
Standard Bank	11.09%	2022/12/31	5 047 793			(709 970)	4 337 823		
Standard Bank	11.70%	2023/06/20	19 849 478			(2 443 214)	17 406 264		
FNB	11.97%	2016/06	4 813 030			(1 181 842)	3 631 187		
Development Bank of SA							-		
Urban Infrastructure Project 10608/1	14.00%	2017/06	5 414 712			(559 026)	4 855 686		
Multiple Infrastructure 101096/1	10.41%	2024/06	115 459			(42 786)	72 673		
Multiple Infrastructure 101096/2	10.16%	2019/12	2 013 158			(236 842)	1 776 316		
Multiple Infrastructure 101647/1	7.59%	2025/12	428 572			(142 857)	285 715		
Multiple Infrastructure 101647/2	6.84%	2020/06	-				-		
Multiple Infrastructure 101647/3	6.88%	2015/06	4 921 053			(578 947)	4 342 106		
Infrastructure 102303/1	6.56%	2025/12	2 729 339			(303 260)	2 426 079		
Electricity And Water 102292/1	6.59%	2026/06	-				-		
Electricity And Water 102292/2	6.59%	2016/06	377 887			(74 280)	303 607		
Deep Aquifer Hydrogeological 13774	15.67%	2021/06	2 168 188			(216 819)	1 951 369		
Infrastructure 102617/1	6.27%	2027/06	-				-		
Infrastructure 102617/2	8.45%	2017/06							
Total Annuity Loans			59 717 075	-	-	(8 929 482)	50 787 592	-	-
LEASE LIABILITY									
Toyota Hilux 2.5 D-4D SRX R/B	11.99%	2018/02	31 931	-	-	(31 931)	(0)	-	-
Colortrac Smart LF SC 36C - Serial number: H2401791	12.01%	2017/06	-				-		
KONICA MINOLTA C364E SERIAL A5C1041011315	12.01%	2018/02	19 930			(19 930)	0		
KONICA MINOLTA C364E SERIAL A5C1041012886	12.01%	2018/03	22 310			(22 310)	(0)		
Isuzu KB 250 F/Slide Reg Cab (Lead) CG 28191	12.01%	2020/01	150 958			(55 696)	95 262		
Isuzu KB 250 F/Side Reg Cab (Lead) CG 30015	12.01%	2020/01	150 958			(55 696)	95 262		
Isuzu KB 250 F/Side D/Cab HI-Rider CG 29891	12.01%	2019/12	163 357			(85 165)	98 192		
Chevrolet Utility 1.4 + A/c CG 16101	12.01%	2019/11	104 001			(41 487)	62 514		
Chevrolet Utility 1.4 + A/c CG 10020	12.01%	2019/11	104 001			(41 487)	62 514		
Chevrolet Utility 1.4 + A/c CG 17054	12.01%	2019/11	104 001			(41 487)	62 514		
Chevrolet Utility 1.4 + A/c CG 15435	12.01%	2019/11	104 001			(41 487)	62 514		
Isuzu KB 250 F/Side Reg Cab (Lead) CG 11569	12.01%	2020/02	150 362			(55 476)	94 885		
Isuzu KB 250 F/Side Reg Cab (Lead) CG 15076	12.01%	2020/02	150 362			(55 476)	94 885		
Isuzu KB 250 F/Side Reg Cab (Lead) CG 15299	12.01%	2020/02	150 362			(55 476)	94 885		
Isuzu KB 250 F/Side Reg Cab (Lead) CG 28551	12.01%	2019/12	134 715			(53 739)	80 976		
Isuzu KB 250 F/Side Reg Cab (Lead) CG 29837	12.01%	2019/12	134 715			(53 739)	80 976		
Isuzu Trucks & Series NPR 400 Crew CAB AMT CG 29940	12.01%	2020/01	385 938			(147 974)	237 965		
Chevrolet Utility 1.4 + A/c CG 15666	12.01%	2019/11	104 001			(104 001)	(0)		
Chevrolet Utility 1.4 + A/c CG 14177	12.01%	2019/11	104 001			(41 487)	62 514		
Chevrolet Utility 1.4 + A/c CG 15042	12.01%	2019/11	104 001			(41 487)	62 514		
Chevrolet Utility 1.4 + A/c CG 14240	12.01%	2019/11	104 001			(41 487)	62 514		
Isuzu Trucks & Series NPR 400 Crew CAB AMT CG 29933	12.01%	2020/01	385 938			(147 974)	237 965		
Isuzu Trucks & Series NPR 400 Crew CAB AMT CG 29936	12.01%	2020/01	385 938			(147 974)	237 965		
Chevrolet Utility 1.4 + A/c CG 31709	12.01%	2019/12	108 870			(43 430)	65 441		
Chevrolet Utility 1.4 + A/c CG 15643	12.01%	2019/11	104 001			(41 487)	62 514		
Isuzu KB 250 F/Side Reg Cab (Lead) CG 29836	12.01%	2019/12	134 715			(53 739)	80 976		
Isuzu KB 250 F/Side Reg Cab (Lead) CG 17509	12.01%	2019/12	134 715			(53 739)	80 976		
Isuzu KB 250 F/Side Reg Cab (Lead) CG 29835	12.01%	2019/12	134 715			(53 739)	80 976		
Isuzu KB 250 F/Side Reg Cab (Lead) CG 11230	12.01%	2020/02	143 139			(52 812)	90 327		
Isuzu KB 250 F/Side Reg Cab (Lead) CG 13791	12.01%	2020/02	150 362			(55 476)	94 885		
Chevrolet Spark 1.2L CG 12983	12.01%	2019/12	103 367			(41 234)	62 133		
Chevrolet Spark 1.2L CG 28073	12.01%	2019/12	103 367			(41 234)	62 133		
Chevrolet Spark 1.2L CG 28828	12.01%	2019/12	103 367			(41 234)	62 133		
Chevrolet Utility 1.4 + A/c CG 17629	12.01%	2019/11	104 001			(41 487)	62 514		
Isuzu KB 250 F/Side Reg Cab (Lead) CG 28266	12.01%	2019/12	134 715			(53 739)	80 976		
Chevrolet Utility 1.4 + A/c CG9909	12.01%	2019/11	104 001			(41 487)	62 514		
Isuzu KB 250 F/Side Reg Cab (Lead) CG 30014	12.01%	2020/01	150 958			(55 696)	95 262		
Chevrolet Utility 1.4 + A/c CG 10367	12.01%	2019/11	104 001			(41 487)	62 514		
Chevrolet Utility 1.4 + A/c CG 16602	12.01%	2019/11	104 001			(41 487)	62 514		
Isuzu KB 250 F/Side Reg Cab (Lead) CG 18605	12.01%	2019/11	134 715			(53 739)	80 976		
Isuzu KB 250 F/Side Reg Cab CG 11214	12.01%	2019/12	162 202			(64 704)	97 498		
Isuzu KB 250 F/Side Reg Cab (Lead) CG 4456	12.01%	2020/05	150 488			(49 790)	100 698		
UD Trucks UD 85d Tipper CG 10546	12.01%	2020/05	687 318			(219 711)	467 607		
Isuzu KB 250 LE 4x4 Reg Cab CG 30357	12.01%	2020/04	196 310			(67 287)	129 023		
Isuzu KB 250 LE 4x4 D/Cab CG 30187	12.01%	2020/04	352 533			(120 834)	231 699		
Isuzu KB 250 F/Side Reg Cab CG 30227	12.01%	2020/04	152 978			(52 434)	100 543		
Chevrolet Spark 1.2 CG 28536	12.01%	2020/04	116 782			(40 028)	76 754		
Isuzu KB 250 LE 4x4 D/Cab CG 4859	12.01%	2020/05	213 019			(70 479)	142 540		
Isuzu KB 250 F/Side Reg Cab CG 30227	12.01%	2020/05	154 037			(50 965)	103 073		
Isuzu KB 250 F/Side Reg Cab (Lead) CG 30263	12.01%	2020/04	146 535			(50 226)	96 309		
Chevrolet Spark 1.2 CG 30261	12.01%	2020/04	116 782			(40 028)	76 754		
Chevrolet Spark 1.2 CG 30263	12.01%	2020/04	116 782			(40 028)	76 754		
Chevrolet Utility 1.4 + A/c CG 17761	12.01%	2020/04	106 877			(36 633)	70 244		
Chevrolet Utility 1.4 + A/c CG 19934	12.01%	2020/04	106 877			(36 633)	70 244		
Chevrolet Utility 1.4 + A/c CG 17096	12.01%	2020/04	106 877			(36 633)	70 244		
Chevrolet Utility 1.4 + A/c CG 28297	12.01%	2020/04	106 877			(36 633)	70 244		
Chevrolet Utility 1.4 + A/c CG 4845	12.01%	2020/04	109 760			(36 315)	73 445		
Isuzu KB 250 LE 4x4 D/Cab CG 28060	12.01%	2020/01	331 728			(124 208)	207 520		
Isuzu KB 250 F/Side Reg Cab (Lead) CG 4456	12.01%	2020/05	167 757			(55 504)	112 253		
Isuzu KB 250 F/Side Reg Cab (Lead) CG 14422	12.01%	2020/05	322 734			(106 780)	215 955		
Isuzu Trucks N Series NPR 400 CREW Cab Amt CG 16899	12.01%	2020/05	344 581			(114 008)	230 573		
Isuzu Trucks N Series NPR 400 CREW Cab Amt CG 19856	12.01%	2020/05	344 581			(114 008)	230 573		
Isuzu Trucks N Series NPR 400 CREW Cab Amt CG 13487	12.01%	2020/05	356 260			(117 872)	238 388		
Isuzu Trucks N Series NPR 400 F/C CC CG 14545	12.01%	2020/05	322 734			(106 780)	215 955		
Isuzu Trucks N Series NPR 400 CREW Cab Amt CG 16028	12.01%	2020/05	401 631			(132 883)	268 748		
Isuzu KB 250 F/Side Reg Cab (Lead) CG 20551	12.01%	2019/12	134 715			(53 739)	80 976		
UD Trucks UD 85d Tipper CG 15844	12.01%	2020/06	1 419 496			(453 763)	965 733		
Isuzu Trucks N Series NPR 400 F/C CC CG 17050	12.01%	2020/06	711 713			(227 509)	484 204		
Isuzu Trucks N Series NPR 400 F/C CC CG 29941	12.01%	2020/01	353 336			(135 231)	218 105		
Isuzu KB 250C F/Side Reg Cab CG 17564	10.00%	2020/02			150 580	(13 722)	136 858		
Isuzu KB 250C F/Side Reg Cab CG 16558	10.00%	2020/02			150 580	(13 722)	136 858		
Isuzu KB 250C HO HI-RIDER Reg Cab 4x4 CG 7204	10.00%	2019/12			169 441	(9 600)	159 841		
Isuzu KB 250C F/Side Reg Cab CG 7947	10.00%	2019/12			128 013	(7 253)	120 760		
Isuzu KB 250C F/Side Reg Cab CG 6660	10.00%	2019/12			131 966	(7 476)	124 490		
Isuzu KB 250 HO HI-RIDER Reg Cab 4x4 CG 7012	10.00%	2019/12			167 416	(9 485)	157 931		
Toyota Hilux 2.4 GD-6 RB SRX CG 24657	10.00%	2021/02			201 740	(21 062)	180 678		
Nissan NP200 1.6 8v BASE + AC UA6 CG 8758	10.00%	2019/11			91 989	(16 934)	75 055		
			-	-	-	-	-	-	-
Total Lease Liabilities			13 621 689	-	1 191 725	(5 061 116)	9 751 698	-	-
TOTAL EXTERNAL LOANS			73 338 164	-	1 191 725	(13 990 598)	60 539 291	-	-

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APPENDIX B
OUDTSHOORN LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2017 Actual Income R	2017 Actual Expenditure R	2017 Surplus/ (Deficit) R		2018 Actual Income R	2018 Actual Expenditure R	2018 Surplus/ (Deficit) R
			Governance and Administration			
137 445 169	46 412 669	91 032 500	Executive And Council	105 671 209	72 935 143	32 736 066
70 958 273	75 674 401	(4 716 128)	Finance And Administration	87 380 211	63 738 401	23 641 811
-	1 787 222	(1 787 222)	Internal Audit	-	1 672 503	(1 672 503)
		-				
		-	**Community and Public Safety**			
(191 619)	19 728 738	(19 920 357)	Community And Social Services	5 438 000	15 584 918	(10 146 918)
1 732 066	23 928 293	(22 196 226)	Sport And Recreation	2 495 784	34 731 801	(32 236 017)
17 927 247	20 857 066	(2 929 819)	Public Safety	194 742	8 390 049	(8 195 307)
-	7 473 949	(7 473 949)	Housing	51 195 985	41 529 291	9 666 694
-	-	-	Health	-	-	-
		-				
		-	**Economic and Environmental Services**			
-	11 134 990	(11 134 990)	Planning and Development	-	16 270 831	(16 270 831)
-	21 843 197	(21 843 197)	Road Transport	31 678 112	55 182 778	(23 504 667)
-	-	-	Environmental Protection	-	-	-
		-			-	
		-	**Trading Services**			
210 781 232	176 316 780	34 464 453	Energy Sources	221 912 005	173 384 941	48 527 064
62 537 125	22 788 366	39 748 759	Water Management	76 323 359	42 127 417	34 195 942
30 653 898	13 222 509	17 431 388	Waste Water Management	31 825 271	20 665 952	11 159 319
16 171 556	25 418 282	(9 246 726)	Waste Management	17 389 566	26 727 583	(9 338 017)
		-		-	-	-
-	3 960 275	(3 960 275)	**Other**	-	-	-
548 014 947	470 546 737	77 468 211	Sub Total	631 504 244	572 941 607	58 562 637
-	-	-	Less Inter-Departmental Charges	-	-	-
548 014 947	470 546 737	77 468 211	**Total**	631 504 244	572 941 607	58 562 637

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APPENDIX C
OUDTSHOORN LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018
MUNICIPAL VOTES CLASSIFICATIONS

2017 Actual Income R	2017 Actual Expenditure R	2017 Surplus/ (Deficit) R		2018 Actual Income R	2018 Actual Expenditure R	2018 Surplus/ (Deficit) R
			Executive & Council			
(117 609 666)	47 367 116	(70 242 550)	Council General	(87 803 452)	51 105 496	(36 697 956)
-	158 786	158 786	Office Of The Executive Deputy Mayor	-	65 799	65 799
2 653 684	5 632 178	8 285 863	Office Of The Executive Mayor	-	6 873 154	6 873 154
-	150 246	150 246	Office Of The Speaker	-	443 449	443 449
(114 955 982)	**53 308 327**	**(61 647 655)**		**(87 803 452)**	**58 487 898**	**(29 315 554)**
			Municipal Manager			
(1 616)	1 635 268	1 633 652	Office of the Municipal Manager	-	2 832 501	2 832 501
-	1 787 222	1 787 222	Internal Audit	-	1 672 503	1 672 503
(16 145 086)	9 919 442	(6 225 644)	Cango Caves	(17 868 678)	11 614 743	(6 253 935)
-	-	-	Risk Management	-	7 600	7 600
(16 146 702)	**13 341 931**	**(2 804 771)**		**(17 868 678)**	**16 127 347**	**(1 741 331)**
			Corporate Services			
-	19 899 346	19 899 346	Office of HOD - Corporate Services	-	2 632 487	2 632 487
-	-	-	Council Support	(13 720)	300 294	286 573
27 048	9 124 053	9 151 101	Administration & Archives	-	9 385 809	9 385 809
-	7 771 602	7 771 602	Human Resources	(1 065 288)	9 496 464	8 431 176
-	6 194 150	6 194 150	Contract & Legal Services	-	2 169 450	2 169 450
27 048	**42 989 151**	**43 016 199**		**(1 079 008)**	**23 984 503**	**22 905 495**
			Financial Services			
-	3 218 694	3 218 694	Office of the CFO	-	3 177 107	3 177 107
(70 985 321)	12 962 744	(58 022 576)	Income	(84 751 203)	13 568 526	(71 182 677)
-	3 538 952	3 538 952	Expenditure	-	4 165 017	4 165 017
-	2 628 260	2 628 260	Information Technology	-	5 169 867	5 169 867
-	8 088 469	8 088 469	Financial Accounting	(1 550 000)	7 384 215	5 834 215
-	2 295 666	2 295 666	Supply Chain Management	-	2 886 741	2 886 741
(70 985 321)	**32 732 785**	**(38 252 536)**		**(86 301 203)**	**36 351 473**	**(49 949 730)**
			Community And Public Safety			
-	8 154 852	8 154 852	Office of HOD - Community Services	(10 003)	15 558 303	15 548 300
(17 927 247)	20 857 066	2 929 819	Protection Services	(9 467 945)	31 311 372	21 843 428
(1 732 066)	26 000 810	24 268 743	Parks & Recreation	(2 495 784)	22 072 354	19 576 570
-	4 963 523	4 963 523	Library Services	(5 338 000)	5 591 345	253 345
(21 760 073)	23 963 877	2 203 804	Cleansing Services	(17 389 566)	24 623 540	7 233 975
191 619	4 537 846	4 729 465	Council Buildings & Halls	(100 000)	7 094 717	6 994 717
-	3 840	3 840	Airport	-	-	-
(41 227 768)	**88 481 814**	**47 254 047**		**(34 801 298)**	**106 251 632**	**71 450 334**
			Technical Services			
-	23 561 712	23 561 712	Civil Engineering Services	(22 393 984)	34 736 632	12 342 648
(215 120 769)	174 801 418	(40 319 351)	Electro-technical Services	(221 912 005)	171 044 953	(50 867 053)
-	647 753	647 753	Office Of Hod - Technical Services	-	2 339 988	2 339 988
(71 121 532)	22 788 366	(48 333 166)	Rural Water	(76 323 359)	42 127 417	(34 195 942)
(36 278 769)	13 178 402	(23 100 367)	Sewerage	(31 825 271)	20 294 818	(11 530 453)
-	3 948 519	3 948 519	Workshop	-	3 394 825	3 394 825
(322 521 069)	**238 926 170**	**(83 594 899)**		**(352 454 619)**	**273 938 632**	**(78 515 987)**
			Human Settlement			
-	7 473 949	7 473 949	Human Settlement	(51 195 985)	41 529 291	(9 666 694)
-	**7 473 949**	**7 473 949**		**(51 195 985)**	**41 529 291**	**(9 666 694)**
			Strategic Services			
-	1 045	1 045	IDP	-	8 512	8 512
-	5 410 436	5 410 436	Corporate Wide Strategic Planning	-	11 212 997	11 212 997
-	5 675 974	5 675 974	Town Planning	-	5 049 322	5 049 322
-	**11 087 455**	**11 087 455**		**-**	**16 270 831**	**16 270 831**
-	-	-		-	-	-
(565 809 793)	**488 341 583**	**(77 468 211)**	**Sub Total**	**(631 504 244)**	**572 941 607**	**(58 562 637)**
-	-	-	Less Inter-Departmental Charges	-	-	-
(565 809 793)	**488 341 583**	**(77 468 211)**	**Total**	**(631 504 244)**	**572 941 607**	**(58 562 637)**

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APPENDIX D
OUDTSHOORN LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2017	Correction of Error	Restated Balance 30 June 2017	Contributions during the year	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2018	Unspent 30 June 2018 (Creditor)	Unpaid 30 June 2018 (Debtor)
National Government Grants										
Equitable Share			-	62 663 000	-	(62 663 000)		-	-	-
Local Government Financial Management Grant			-	1 550 000	-	(1 550 000)	-	-	-	-
Municipal System Improvement Grant	-	-	-	-		-	-	-	-	-
Municipal Infrastructure Grant	(2 586 184)	-	(2 586 184)	22 062 000	-	(892 551)	(18 484 265)	-	-	-
Integrated National Electrification Grant	3 000 076	-	3 000 076	3 000 000	-	(1 545 563)	(4 454 513)	0	0	-
Regional Bulk Infrastructure Grant - Department of Water Affairs and Forestry	1 613 986		1 613 986			-	-	1 613 986	1 613 986	-
Seta			-	-		-	-	-	-	-
Extended Public Works Program				2 911 000	-	(2 911 000)	-	-	-	-
Electricity Demand Side Management Grants				-	-	-	-	-	-	-
Water services Infrastructure Grant				10 000 000			(9 820 587)	179 413	179 413	-
Total National Government Grants	1 928 878	-	1 928 878	102 286 000	-	(69 562 114)	(32 759 365)	1 793 399	1 793 399	-
Provincial Government Grants										
CDW operational support grant	4 545		4 545	56 000		(13 720)	-	46 825	46 825	-
Library Services	-	-	-	5 338 000	-	(5 279 631)	(58 369)	0	0	-
Integrating Housing Settlement Grant	298 364	348 889	647 253	54 012 986	-	(33 579 112)	(16 110 873)	4 670 256	4 670 256	-
Emergency Housing Programm				2 812 000	-	(1 406 000)	-	1 406 000	1 406 000	-
ABS Programme			-	-	-	-	-	-		-
Housing Consumer Education	29 953		29 953		(29 953)			-		-
Provincial Sport Grant			-	-	-	-	-	-		-
Public Transport Facilities			-	-	-	-	-	-	-	-
Military Sport Academy			-	-	-	-		-		-
Finance Management Support Grant	427 337		427 337	3 080 000	(27 337)	(2 751 150)	(718 849)	0	0	-
Municipal Finance Improvement Grant			-	-	-	-	-	-		-
Maintenance Main Road Subsidy			-	106 166		(106 166)	-	-		-
Performance Management Grant			-	-		-	-	-		-
Municipal Infrastructure and Building Repair Grant			-	-		-	-	-		-
WC Municipal Financial Management Capacity Building Grant			-	240 000		(222 316)	-	17 684	17 684	-
Water Supply and Drought relief grant	-		-	-		-	-	-	-	-
Municipal Service Delivery and Capacity Building grant	1 870 656	-	1 870 656	-	-	-	(1 870 656)	-	-	-
Supply for Drought Relief Interventions	379 472		379 472	-	(379 472)	-		-	-	-
Municipal Infrastructure Support Grant	-		-	-		-	-	-	-	-
Local Government Graduate Internship Grant	54 904		54 904	66 000	-	-	-	120 904	120 904	-
Fire Service Capacity Building Grant	1 200 000		1 200 000	-	-	-	(1 200 000)	-	-	-
Municipal Drought Support Grant	959 416		959 416	-	-	-	(959 416)	-	-	-
Thusong Service Centre Grant				100 000		(100 000)		-	-	-
Cango Caves Infrastructure Grant				1 600 000		-	(59 850)	1 440 150	1 440 150	-
Total Provincial Government Grants	5 224 850	348 889	5 573 448	67 311 156	(436 762)	(43 566 097)	(20 977 925)	7 901 819	7 901 819	-
Total Other Grant Providers	-	-	-	-	-	-	-	-	-	-
Total Grants	7 153 437	348 889	7 502 326	169 597 156	(436 762)	(113 150 211)	(53 737 290)	9 695 218	9 695 218	-

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received.

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OUDTSHOORN MUNICIPALITY- Reconciliation of Table A1 Budget Summary

Description	2017/2018								2016/2017
R thousands	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8	12
Financial Performance									
Property rates	83 694	(2 603)	81 091	81 990		(899)	101.1%	98.0%	70 958
Service charges	361 771	(29 517)	332 254	326 459		5 795	98.3%	90.2%	315 786
Investment revenue	2 757	1 779	4 536	5 586		(1 049)	123.1%	202.6%	3 308
Transfers recognised - operational	108 062	15 923	123 985	113 150		10 834	91.3%	104.7%	74 589
Other own revenue	60 961	(21 140)	39 821	49 986		(10 165)	125.5%	82.0%	61 677
Total Revenue (excluding capital transfers and contributions)	**617 245**	**(35 558)**	**581 687**	**577 171**		**4 516**	**99.2%**	**93.5%**	**526 318**
Employee costs	214 344	17 140	231 483	215 633	–	15 850	93.2%	100.6%	186 515
Remuneration of councillors	10 591	(319)	10 272	10 022	–	249	97.6%	94.6%	9 484
Debt impairment	24 382	(53 232)	(28 851)	(8 086)	–	(20 765)	28.0%	-33.2%	15 501
Depreciation & asset impairment	24 491	331	24 822	40 643	–	(15 820)	163.7%	165.9%	35 095
Finance charges	6 929	10 166	17 095	12 399	–	4 696	72.5%	178.9%	14 675
Materials and bulk purchases	155 080	20 719	175 799	147 637	–	28 162	84.0%	95.2%	145 709
Transfers and grants	850	350	1 200	2 697	–	(1 497)	224.8%	317.3%	3 022
Other expenditure	226 403	(46 451)	179 952	151 400	–	28 552	84.1%	66.9%	74 666
Total Expenditure	**663 069**	**(51 296)**	**611 773**	**572 345**	**–**	**39 428**	**93.6%**	**86.3%**	**485 666**
Surplus/(Deficit)	**(45 824)**	**15 738**	**(30 086)**	**4 825**		**(34 912)**	**-16.0%**	**-10.5%**	**40 652**
Transfers recognised - capital	35 062	26 455	61 517	53 737		7 780	87.4%	153.3%	36 816
Contributions recognised - capital & contributed assets	–	–	–	–		–	-	0.0%	–
Surplus/(Deficit) after capital transfers & contributions	**(10 762)**	**42 193**	**31 431**	**58 563**		**(27 132)**	**186.3%**	**-544.2%**	**77 468**
Share of surplus/ (deficit) of associate	–	–	–	–		–	-		–
Surplus/(Deficit) for the year	**(10 762)**	**42 193**	**31 431**	**58 563**		**(27 132)**	**186.3%**	**-544.2%**	**77 468**
Capital expenditure & funds sources									
Capital expenditure									
Transfers recognised - capital	29 887	26 290	56 177	53 737		2 440	95.7%	179.8%	35 434
Public contributions & donations	–	–	–	–		–	0.0%	0.0%	–
Borrowing	–	–	–	–		–	0.0%	0.0%	–
Internally generated funds	7 349	4 179	11 528	4 315		7 213	37.4%	58.7%	15 564
Total sources of capital funds	**37 236**	**30 469**	**67 705**	**58 052**		**9 653**	**85.7%**	**155.9%**	**50 998**
Cash flows									
Net cash from (used) operating	45 318	7 859	53 177	132 364		(79 187)	248.9%	292.1%	92 869
Net cash from (used) investing	(37 236)	(29 007)	(66 243)	(56 426)		(9 817)	85.2%	151.5%	(36 367)
Net cash from (used) financing	(10 101)	(9 431)	(19 532)	(32 825)		13 294	168.1%	325.0%	(48 365)
Cash/cash equivalents at the year end	**27 906**	**12 313**	**40 218**	**71 007**		**(30 789)**	**176.6%**	**254.5%**	**27 816**

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OUDTSHOORN MUNICIPALITY - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2017/2018								2016/2017
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8	12
Revenue - Standard									
Governance and administration	145 165	11 625	156 790	193 051	–	123%	123%	133%	219 142
Executive and council	59 681	10 919	70 600	105 671		150%	150%	177%	148 156
Finance and administration	85 484	706	86 190	87 380		101%	101%	102%	70 985
Internal audit	–	–	–	–		0%	0%	0%	–
Community and public safety	42 665	29 195	71 861	59 325		83%	83%	139%	26 533
Community and social services	5 438	–	5 438	5 438		100%	100%	100%	2 060
Sport and recreation	2 182	355	2 537	2 496		98%	98%	114%	20 736
Public safety	–	–	–	195		0%	0%	0%	3 738
Housing	35 066	28 841	63 907	51 196		80%	80%	146%	–
Economic and environmental services	55 013	(23 558)	31 453	31 678		101%	101%	58%	–
Planning and development	–	56	56	–		0%	0%	0%	–
Road transport	55 013	(23 615)	31 397	31 678		101%	101%	58%	–
Trading services	409 444	(26 364)	383 079	347 450		91%	91%	85%	320 135
Energy sources	239 997	(4 683)	235 314	221 912		94%	94%	92%	210 864
Water management	93 963	(9 335)	84 628	76 323		90%	90%	81%	62 537
Waste water management	43 681	(4 807)	38 874	31 825		82%	82%	73%	30 654
Waste management	31 803	(7 539)	24 264	17 390		72%	72%	55%	16 081
Other	–	–	–	–		0%	0%	0%	–
Total Revenue - Standard	652 307	(9 103)	643 204	631 504		98%	98%	0%	565 810
Expenditure - Standard									
Governance and administration	157 283	(6 812)	150 472	138 346	–	92%	0%	88%	132 323
Executive and council	92 473	(11 001)	81 472	72 935	–	90%	90%	79%	73 938
Finance and administration	64 810	2 359	67 169	63 738	–	95%	95%	98%	58 385
Internal audit	–	1 831	1 831	1 673	–	91%	91%	0%	–
Community and public safety	107 825	14 687	122 512	100 236	–	82%	0%	93%	78 365
Community and social services	33 944	(16 315)	17 629	15 585	–	88%	88%	46%	20 882
Sport and recreation	22 022	16 575	38 597	34 732	–	90%	90%	158%	14 311
Public safety	7 575	2 142	9 717	8 390	–	86%	86%	111%	35 677
Housing	44 284	12 285	56 569	41 529	–	73%	73%	94%	7 495
Health	–	–	–	–	–	0%	0%	0%	–
Economic and environmental services	93 862	(22 599)	71 263	71 454	–	100%	0%	76%	34 469
Planning and development	22 152	(4 158)	17 994	16 271	–	90%	90%	73%	5 765
Road transport	71 710	(18 441)	53 269	55 183	–	104%	104%	77%	28 704
Environmental protection	–	–	–	–	–	0%	0%	0%	–
Trading services	304 098	(36 572)	267 526	252 906	–	98%	0%	86%	243 165
Energy sources	190 909	(9 588)	181 321	173 385	–	96%	96%	91%	167 634
Water management	38 238	(14)	38 225	42 127	–	110%	110%	110%	29 639
Waste water management	40 714	(19 238)	21 476	20 868	–	96%	96%	51%	14 356
Waste management	29 489	(2 988)	26 504	26 728	–	101%	101%	91%	27 588
Other	4 747	(4 747)	–	–	–	0%	0%	0%	3 958
Total Expenditure - Standard	663 069	(51 296)	611 773	572 942	–	94%	94%	86%	488 342
Surplus/(Deficit) for the year	(10 762)	42 193	31 431	58 563	–	186%	186%	-544%	77 468

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OUDTSHOORN MUNICIPALITY - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2017/2018								2016/2017
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8	12
Revenue by Vote									
Vote 1 - Executive & Council	41 914	8 375	50 289	87 803		175%	174.6%	209.5%	114 956
Vote 2 - Municipal Manager	17 767	2 600	20 367	17 869		88%	87.7%	100.6%	16 147
Vote 3 - Corporate Services	240	629	869	1 079		124%	124.2%	449.6%	(27)
Vote 4 - Financial Services	85 244	77	85 321	86 301		101%	101.1%	101.2%	70 985
Vote 5 - Community and Public Safety	69 344	(30 800)	38 544	34 801		90%	90.3%	50.2%	41 228
Vote 6 - Technical Services	402 732	(18 825)	383 907	352 455		92%	91.8%	87.5%	322 521
Vote 7 - Human Settlement	35 066	28 841	63 907	51 196		80%	80.1%	146.0%	-
Vote 8 - Strategic Services		-		-		0%	0.0%	0.0%	-
Total Revenue by Vote	**652 307**	**(9 103)**	**643 204**	**631 504**		98%	98.2%	96.8%	**565 810**
Expenditure by Vote *to be appropriated*									
Vote 1 - Executive & Council	70 166	(5 870)	64 296	58 488	-	91%	91.0%	83.4%	53 308
Vote 2 - Municipal Manager	37 408	(16 199)	18 209	16 127	-	84%	84.0%	43.1%	13 342
Vote 3 - Corporate Services	25 691	163	25 854	23 985	-	93%	92.8%	93.4%	42 989
Vote 4 - Financial Services	39 389	1 724	41 112	36 351	-	88%	88.4%	92.3%	32 733
Vote 5 - Community and Public Safety	136 896	(24 889)	112 008	106 252	-	95%	94.9%	77.6%	88 482
Vote 6 - Technical Services	309 235	(34 505)	274 730	273 939	-	100%	99.7%	88.6%	238 926
Vote 7 - Human Settlement	44 284	12 285	56 569	41 529	-	73%	73.4%	93.8%	7 474
Vote 8 - Strategic Services		17 994	17 994	16 271	-	90%	90.4%	0.0%	11 087
Total Expenditure by Vote	**663 069**	**(51 296)**	**611 773**	**572 942**	-	94%	93.7%	86.4%	**488 342**
Surplus/(Deficit) for the year	**(10 762)**	**42 193**	**31 431**	**58 563**	-	186%	186.3%	-544.2%	**77 468**

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OUDTSHOORN MUNICIPALITY - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2017/2018								2016/2017
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8	12
Revenue By Source									
Property rates	83 694	(2 603)	81 091	81 990		(899)	-1.1%	98.0%	70 958
Service charges - electricity revenue	229 535	(7 837)	221 698	214 893		6 805	3.1%	93.6%	210 403
Service charges - water revenue	72 691	(9 334)	63 356	63 730		(374)	-0.6%	87.7%	59 739
Service charges - sanitation revenue	35 700	(4 806)	30 894	31 126		(232)	-0.7%	87.2%	29 994
Service charges - refuse revenue	23 845	(7 539)	16 306	16 710		(404)	-2.5%	70.1%	15 649
Rental of facilities and equipment	1 638	(156)	1 482	3 453		(1 971)	-133.0%	210.8%	3 342
Interest earned - external investments	2 757	1 779	4 536	5 588		(1 049)	-23.1%	202.6%	3 230
Interest earned - outstanding debtors	6 604	100	6 704	6 949		(246)	-3.7%	105.2%	6 391
Fines	11 896	(10 517)	1 379	4 874		(3 496)	-253.5%	41.0%	13 205
Licences and permits	18 196	(18 196)	–	–		–	0.0%	0.0%	–
Agency services	–	4 556	4 556	4 570		(14)	-0.3%	0.0%	4 844
Transfers recognised - operational	108 062	15 923	123 985	113 150		10 834	8.7%	104.7%	74 589
Other revenue	22 627	2 639	25 266	30 301		(5 035)	-19.9%	133.9%	36 648
Gains on disposal of PPE	–	435	435	(162)		596	137.2%	0.0%	–
Total Revenue (excluding capital transfers and contributions)	617 245	(35 558)	581 687	577 171		4 516	0.8%	93.5%	528 994
Expenditure By Type			–				-	-	
Employee related costs	214 344	17 140	231 483	215 633	–	15 850	6.8%	100.6%	186 515
Remuneration of councillors	10 591	(319)	10 272	10 022	–	249	2.4%	94.6%	9 484
Debt impairment	24 382	(53 232)	(28 851)	(8 086)	–	(20 765)	72.0%	-33.2%	15 501
Depreciation & asset impairment	24 491	331	24 822	40 643	–	(15 820)	-63.7%	165.9%	35 095
Finance charges	6 929	10 166	17 095	12 399	–	4 696	27.5%	178.9%	14 675
Bulk purchases	155 080	(1 000)	154 080	147 637	–	6 442	4.2%	95.2%	146 709
Other materials	–	21 719	21 719	12 626	–	9 093	41.9%	100.0%	7 020
Contracted services	30 155	(11 342)	18 813	21 396	–	(2 583)	-13.7%	71.0%	26 384
Transfers and grants	850	350	1 200	2 697	–	(1 497)	-124.8%	317.3%	3 022
Other expenditure	196 248	(35 109)	161 139	117 378	–	43 761	27.2%	59.8%	43 224
Loss on disposal of PPE	–	–	–	–	–	–	0.0%	0.0%	713
Total Expenditure	663 069	(51 296)	611 773	572 345	–	39 428	6.4%	86.3%	488 341
Surplus/(Deficit)	(45 824)	15 738	(30 086)	4 825		–	0.0%	0.0%	40 652
Transfers recognised - capital	35 062	26 455	61 517	53 737		7 780	12.6%	153.3%	36 816
Contributions recognised - capital	–	–	–	–		–	0.0%	0.0%	–
Contributed assets	–	–	–	–		–	0.0%	0.0%	–
Surplus/(Deficit) after capital transfers & contributions	(10 762)	42 193	31 431	58 563		(27 132)	-86.3%	-544.2%	77 468

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MUN - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2017/2018								2016/2017
R thousand	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8	12
Capital expenditure - Vote									
Multi-year expenditure									
Executive & Council	–	–	–	–	–	–	0%	0%	14 630
Municipal Manager	50	(50)	–	–	–	–	0%	0%	123
Corporate Services	–	–	–	–	–	–	0%	0%	–
Financial Services	1 900	(1 900)	–	–	–	–	0%	0%	909
Community and Public Safety	12 176	8 168	20 344	731	–	19 613	4%	6%	5 360
Technical Services	23 109	(3 485)	19 625	33 417	–	(13 793)	170%	145%	29 975
Human Settlement	–	–	–	–	–	–	0%	0%	–
Strategic Services	–	–	–	–	–	–	0%	0%	–
Capital multi-year expenditure	**37 236**	**2 733**	**39 969**	**34 149**	**–**	**–**	**0%**	**0%**	**50 998**
Single-year expenditure									
Executive & Council	–	–	–	–	–	–	0%	0%	–
Municipal Manager	–	1 500	1 500	1 336	–	164	89%	0%	–
Corporate Services	–	120	120	107	–	13	89%	0%	–
Financial Services	–	3 105	3 105	2 942	–	163	95%	0%	–
Community and Public Safety	–	2 873	2 873	2 042	–	831	71%	0%	–
Technical Services	–	20 139	20 139	17 510	–	2 628	87%	0%	–
Human Settlement	–	–	–	9	–	(9)	0%	0%	–
Strategic Services	–	–	–	–	–	–	0%	0%	–
Capital single-year expenditure	**–**	**27 736**	**27 736**	**23 946**	**–**	**3 791**	**86%**	**0%**	**–**
Total Capital Expenditure - Vote	**37 236**	**30 469**	**67 705**	**58 094**	**–**	**3 791**	**86%**	**–**	**50 998**
Capital Expenditure - Standard									
Governance and administration	**1 950**	**2 775**	**4 725**	**4 426**	**–**	**298**	**94%**	**227%**	**15 663**
Executive and council	50	1 450	1 500	1 327	–	173	88%	2654%	14 754
Finance and administration	1 900	1 325	3 225	3 099	–	126	96%	163%	909
Internal audit	–	–	–	–	–	–	0%	0%	–
Community and public safety	**8 229**	**13 322**	**21 551**	**18 162**	**–**	**3 390**	**84%**	**221%**	**833**
Community and social services	350	130	480	265	–	215	55%	76%	–
Sport and recreation	7 529	(6 047)	1 483	473	–	1 009	32%	6%	833
Public safety	350	1 053	1 403	1 303	–	99	93%	372%	–
Housing	–	18 186	18 186	16 120	–	2 066	89%	0%	–
Health	–	–	–	–	–	–	0%	0%	–
Economic and environmental services	**5 014**	**7 494**	**12 508**	**11 124**	**–**	**1 384**	**89%**	**222%**	**16 062**
Planning and development	–	350	350	–	–	350	0%	0%	–
Road transport	5 014	7 144	12 158	11 124	–	1 034	91%	222%	16 062
Environmental protection	–	–	–	–	–	–	0%	0%	–
Trading services	**22 043**	**6 878**	**28 921**	**24 340**	**–**	**4 581**	**84%**	**110%**	**18 440**
Energy sources	6 831	5 587	12 417	11 477	–	940	92%	168%	8 884
Water management	9 072	4 377	13 449	11 895	–	1 554	88%	131%	1 829
Waste water management	2 193	(455)	1 738	236	–	1 502	14%	11%	3 200
Waste management	3 947	(2 632)	1 316	731	–	584	56%	19%	4 527
Other	–	–	–	–	–	–	0%	0%	–
Total Capital Expenditure - Standard	**37 236**	**30 469**	**67 705**	**58 052**	**–**	**9 653**	**0%**	**0%**	**50 998**
Funded by:									
National Government	29 887	2 832	32 719	32 759	–	–	100%	0%	33 729
Provincial Government	–	23 458	23 458	20 978	–	–	89%	0%	1 705
District Municipality	–	–	–	–	–	–	0%	0%	–
Other transfers and grants	–	–	–	–	–	–	0%	0%	–
Transfers recognised - capital	**29 887**	**26 290**	**56 177**	**53 737**	**–**	**–**	**0%**	**0%**	**35 434**
Public contributions & donations	–	–	–	–	–	–	0%	0%	–
Borrowing	–	–	–	–	–	–	0%	0%	–
Internally generated funds	7 349	4 179	11 528	4 315	–	–	37%	0%	15 564
Total Capital Funding	**37 236**	**30 469**	**67 705**	**58 052**	**–**	**–**	**0%**	**0%**	**50 998**

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MUN - Reconciliation of Table A7 Budgeted Cash Flows

Description	2017/2018							2016/2017
R thousand	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and Other	486 458	(46 722)	439 737	426 711	13 026	97.0%	87.7%	402 838
Government - operating	108 062	15 923	123 985	53 737	70 247	43.3%	49.7%	74 589
Government - capital	35 062	26 455	61 517	113 150	(51 633)	183.9%	322.7%	36 816
Interest	9 360	1 549	10 910	12 535	(1 626)	114.9%	133.9%	9 621
Payments								
Suppliers and employees	(585 846)	21 167	(564 678)	(462 892)	(101 787)	82.0%	79.0%	(420 838)
Finance charges	(6 929)	(10 164)	(17 093)	(8 181)	(8 912)	47.9%	118.1%	(8 954)
Transfers and Grants	(850)	(350)	(1 200)	(2 697)	1 497	224.8%	317.3%	(3 022)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**450 594**	**(38 787)**	**411 807**	**132 364**	**279 443**	**32.1%**	**0.0%**	**91 050**
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	–	435	435	435	–	100.0%	0.0%	–
Payments								
Capital assets	(37 236)	(29 442)	(66 677)	(56 860)	–	85.3%	152.7%	(34 470)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(37 236)**	**(29 007)**	**(66 243)**	**(56 426)**	**–**	**0.0%**	**0.0%**	**(34 470)**
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Increase (decrease) in consumer deposits	–	468	468	–	468	0.0%	0.0%	–
Payments					–			
Repayment of borrowing	(10 101)	(9 899)	(20 000)	(32 825)	12 825	164.1%	325.0%	(48 365)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(10 101)**	**(9 431)**	**(19 532)**	**(32 825)**	**13 294**	**0.0%**	**325.0%**	**(48 365)**
NET INCREASE/ (DECREASE) IN CASH HELD	403 257	(77 224)	326 033	43 113				8 215
Cash/cash equivalents at the year begin:	29 924	42 892	72 816	27 894				19 679
Cash/cash equivalents at the year end:	27 906	12 313	40 218	71 007	–	176.6%	254.5%	27 894

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Annexure B

Report of the Auditor General

Report of the auditor-general to the Western Cape Provincial Parliament and council on Oudtshoorn Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Oudtshoorn Municipality set out on pages 4 to 95, which comprise the statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Oudtshoorn Municipality as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (DoRA).

Basis for qualified opinion

Property, plant and equipment – restatement in corresponding amounts

3. I was unable to obtain sufficient appropriate evidence for the restatement of the corresponding amounts for land and buildings and community assets. As described in note 40 to the financial statements, the restatement was made to rectify the opening balances of land and buildings and community assets, but the restatement could not be substantiated by supporting evidence. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to land and buildings and community assets' corresponding carrying values stated at R109 999 883 and R55 688 482, respectively, in note 2.2 to the financial statements.

Investment property – restatement in corresponding amounts

4. I was unable to obtain sufficient appropriate evidence for the restatement of the corresponding amounts for investment property in the financial statements. As described in note 40 to the financial statements, the restatement was made to rectify the opening balance of investment property, but the restatement could not be substantiated by supporting evidence. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to investment property's corresponding net carrying amount stated at R68 037 193 in note 3 to the financial statements.

Context for the opinion

5. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.

6. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

9. As disclosed in notes 40 and 41 to the financial statements, the corresponding figures for 30 June 2017 were restated as a result of errors discovered during the 2017-18 financial year, as well as municipal standard chart of accounts reclassifications in the financial statements of the municipality at, and for the year ended, 30 June 2018.

Material impairments

10. As disclosed in note 8 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions amounting to R47,8 million (2016-17: R51,9 million).

11. As disclosed in note 9 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transaction amounting to R22,1 million (2016-17: R26,1 million).

Material underspending of the conditional grant

12. As disclosed in note 22 to the financial statements, the municipality underspent its conditional grants by R9,7 million (2016-17: R7,5 million).

Other matters

13. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited supplementary schedules

14. The supplementary information set out on pages 96 to 105 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Unaudited disclosure notes

15. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

16. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

17. In preparing the financial statements, the accounting officer is responsible for assessing the Oudtshoorn Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

18. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

19. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

20. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected strategic objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

21. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be

included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

22. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected strategic objectives presented in the annual performance report of the municipality for the year ended 30 June 2018:

Strategic objectives	Pages in the annual performance report
Strategic objective 2 – to achieve financial sustainability and strengthen municipal transformation and development	11 to 15

23. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

24. The material findings in respect of the usefulness and reliability of selected strategic objectives are as follows:

Strategic objective 2 – to achieve financial sustainability and strengthen municipal transformation and development

All performance indicators

25. The indicators approved in the intergrated development plan for the selected strategic objective were included in objective 5 – to provide basic services to all residents in an environmentally sustainable manner. The indicators within the selected strategic objective are spread across different objectives in the service delivery and budget implementation plan (SDBIP) and in the annual performance report submitted for audit. This resulted in performance indicators reported in the annual performance report being materially inconsistent with indicators in approved strategic planning documents, i.e. the integrated development plan (IDP) and SDBIP.

TL 70 – Provide subsidies for free basic water to indigent households as at 30 June 2018

26. The achievement for target TL70 – provide subsidies for free basic water to indigent houreholds as at 30 June 2018 reported in the annual performance report was 5 756. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of 5 341.

Other matter

27. I draw attention to the matter below.

Achievement of planned targets

28. Refer to the annual performance report on pages 11 to 15 for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 25 and 26 of this report.

Report on the audit of compliance with legislation

Introduction and scope

29. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

30. The material findings on compliance with specific matters in key legislations are as follows:

Annual financial statements, performance and annual reports

31. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected, which resulted in the financial statements receiving a qualified audit opinion.

Asset management

32. An effective system of internal control for assets was not in place, as required by section 63(2)(c) and 96(2)(b) of the MFMA.

Procurement and contract management

33. Persons in the service of the municipality who had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e).

34. The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.

35. Some of the contracts and quotations were awarded to bidders based on preference points that were not calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.

36. Some of the contracts and quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of the Preferential Procurement Policy Framework Act and its regulations.

Expenditure management

37. Reasonable steps were not taken to prevent irregular expenditure amounting to R47 416 637, disclosed in note 47.03 to the financial statements, as required by section 62(1)(d) of the MFMA.

Human resource management

38. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted for some staff, as required by section 67(1)(d) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

Consequence management

39. Some of the irregular and wasteful expenditure expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Other information

40. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected strategic objectives presented in the annual performance report that have been specifically reported in this auditor's report.

41. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

42. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected strategic objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

43. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

44. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation

Leadership

45. Although there were improvements in the control environment, leadership did not provide adequate oversight regarding the implementation of action plans to address the prior year audit findings which resulted in repeat findings in the areas of the financial reporting, the report on predetermined objectives and compliance to laws and regulations. Leadership did not in all instances facilitate the implementation of adequate compliance monitoring processes resulting in non-compliance findings being reported on key legislation. Furthermore, leadership should ensure that the municipality is capacitated with sufficient skilled resources to manage the gap in capacity constraints.

Financial and performance management

46. Management restated the carrying values of land and buildings and community assets as at 30 June 2017. The method and assumptions used by management to determine the restated value of land and buildings and community assets was not supported by sufficient appropriate evidence, which resulted in a qualified opinion.

47. The performance management unit did not ensure that all key performance indicator owners are equipped with the necessary knowledge in order to ensure that all key performance indicator processes are supported by documentation which verifies the process. Adequate review processes were not in place to ensure that inconsistencies of performance indicators between the IDP and annual performance report and usefulness findings were detected and that monthly/quarterly and annual reporting was valid, accurate and complete.

48. Deficiencies in the review processes and the ineffective implementation of compliance monitoring controls to ensure compliance with key applicable legislation resulted in the non-compliance with the MFMA and other applicable legislation and irregular expenditure being incurred.

Other reports

49. I draw attention to the following engagement conducted by various parties that had, or could have, an impact on the matters in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. This report did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

51. The directorate of priority crime investigation conducted investigations on transgressions which transpired from the special investigation unit's report in 2015-16. The investigation was still in progress at the date of this report.

Auditor-General

Cape Town

30 November 2018

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected strategic objectives and on the municipality's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Oudtshoorn Municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

Annexure C

Audit and Performance Audit

Committee Report

2019

OUDTSHOORN MUNICIPALITY OVERSIGHT REPORT 2017/2018

2017/18 OVERSIGHT COMMITTEE REPORT

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1. INTRODUCTION

The annual report is one the key instruments of transparent governance and accountability. It is a post- financial year document, which provides an overview of the process of financial and non-financial performance in respect of the previous financial year, in this instance the 2017/2018 financial year. The adoption of an annual report is a legislative requirement in terms of the Local Government: Municipal Finance Management Act (MFMA), 2003 (Act 56 of 2003).

2. PURPOSE

The purpose of this report is to present to Council for adoption, the Annual Report 2017/2018 as well as the Oversight Report on the Annual Report as required in terms of Section 129 of the MFMA.

3. LEGAL FRAMEWORK

Herewith an extract from key legislative requirements as per the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) relating to the annual report:-

3.1 *Preparation and adoption of annual reports (section 121)*

(1) Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

(2) The purpose of an annual report is—

(a) to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;

(b) to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and

(c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

3.2 *Submission and tabling of annual reports (section 127)*

(2) The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control.

3.3 *Oversight reports on annual reports (section 129)*

(1) The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council—

(a) has approved the annual report with or without reservations;

(b) has rejected the annual report; or

(c) has referred the annual report back for revision of those components that can be revised.

4. COMPONENTS OF THE ANNUAL REPORT

The format of the Annual Report 2017/2018 is based on the annual report template issued by National Treasury in terms of the MFMA Circular 63 of 2012. This template differs significantly from the Annual Report Guidelines (MFMA Circular 11) issued by National Treasury in 2005.

MFMA Circular 63 of 2012 comprises six (6) chapters and attempts to cover all the aspects that needs to be reported on as derived from the MFMA and the Local Government: Municipal Systems Act (MSA), 2000 (Act 32 of 2000).

5. THE OVERSIGHT COMMITTEE

The following Councillors served on the 2017/18 oversight committee of the Oudtshoorn Municipality:

Cllr J Lambaatjeen (Chairperson)

Cllr H Botha

Cllr G Kersop

Cllr N Magopeni

Cllr D Maarman

Officials in attendance

Mr. A Paulse	(Municipal Manager)
Ms. Sims	(Act Director Human Settlement)
Mr. LA Coetzee	(Senior Manager: Strategic)
Mr. E Jantjies	(Manager: PMS)
Mr. P Goliath	(Senior Admin Officer: Council Support)
Mr. S Fukweni	(Interpreter)
Ms. M Sederstroom	(Council Support Officer)
Ms. J Metembo	(Council Support Officer)

6. ANNUAL REPORT 2017/2018 CONSULTATION AND ADOPTION PROCESS

The Annual Report 2017/2018 was tabled to Council on 25 January 2019 in compliance with the MFMA, which requires under Section 127(2) that: "The Mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality."

The Draft Annual Report 2017/2018 was made public on the Municipal Website and in the local newspaper after it was tabled to Council on 25 January 2019.

Members of the community and other stakeholders were invited to submit written comments/inputs on the Annual Report 2017/2018. In addition, the Annual Report 2017/2018 was also made available at all Municipal Libraries and other identified offices.

The draft Annual Report 2017/2018 was furthermore also submitted in terms of Section 127(5)(b) to the Auditor General (AG) of South Africa, Provincial Treasury (Western Cape) and the Department of Local Government (Western Cape).

The closing date for public comments was on 25 February 2019. No submissions from the public were received.

The Provincial Treasury: Western Cape submitted written comments on the Annual Report 2017/2018 on 26 February 2019 and the Auditor General of South Africa (AGSA) on 25 February 2019. These comments were tabled and considered at the oversight meeting held on 18 March 2019.

It must also be noted that after the draft Annual Report 2017/2018 was tabled in Council on 25 January 2019, the report was submitted for proof reading and editing.

7. MATTERS DISCUSSED BY OVERSIGHT COMMITTEE

The oversight committee met respectively on the followings dates to discuss the draft annual report:

- 04 March 2019
- 11 March 2019
- 18 March 2019

During the meeting held on 18 March 2019, the oversight committee discussed and considered the adoption of the 2017/18 draft annual report. After tabling of the document, but prior to submission for public comments/inputs, the following corrections were made:

8. CORRECTIONS MADE AFTER TABLING BUT PRIOR TO PUBLISHING – 25TH JANUARY 2019

PAGE 7: Vision & Mission outdated – corrected accordingly;

PAGE 18: Table 18 (absence of Cllr Juthe – name was added)

PAGE 24: Table 27-ward 2 **NO CHAIRPERSON REFLECTING** – Name of chairperson added.

PAGE 28: Table 38-Ward 13 **NO CHAIRPERSON REFLECTING** - Name of chairperson added.

NB - spelling of Councillor corrected throughout document.

9. COMMENTS FROM HUMAN SETTLEMENT

PAGE 7 & 9 = Population figures don't add up, However data was obtained from census stats.

Page 57 = Municipal Function should change from **yes** to **NO**, as Oudtshoorn does not have a harbour etc. Changes were made accordingly

Page 73 = Spelling of the word "Housing" to be corrected.

After having discussed the abovementioned comments, further comments as received from the AG and Provincial Treasury was presented to the oversight committee for deliberation.

10. AG'S COMMENTS ON THE DRAFT ANNUAL REPORT 2017/18 AFTER CLOSING DATE (25 FEBRUARY 2019)

[PAGE 8] Paragraph 1.3.1 (a) **Repetition of paragraph** "According to the forecasts..."

[PAGE 61] Paragraph 3.3.1 (d) Number of households receiving free basic water **2017/18 = 5602]** ≠ 3.3.6 (a) Number of households with access to free basic water **2017/18 = 5756 [PAGE 77]**

Paragraph 5.1.3 Community and Social Services row [page 144] ≠(NOT) values as per 5.2.8 table **[PAGE 148]**

The signed annual financial statements 2017-18 AND signed audit report 2017-18 must be included in the Draft Annual Report.

Similarly with the **Mayor's Forward** and **Municipal Manager's Overview**.

11. COMMENTS FROM PROVINCIAL TREASURY

Oudtshoorn Municipality's Annual Report for 2017/18 substantially reflects the municipality's performance for the 2017/18 financial year.

Although municipality is commended for meeting the legislative requirements regarding the tabling, publishing and submitting the report to Provincial Treasury, the report however partially complies with the format as stipulated by MFMA Circular 63 as required Appendices are not included as well as the Mayor's Foreword and the Municipal Manager's Overview.

Regarding the performance on basic services, the municipality has reported a 70.8 per cent achievement of targets set for the 2017/18 financial year, with a number of human settlements targets not achieved.

The municipality is advised to ensure that all missing components in terms of the annual report format as per MFMA Circular 63 should be addressed in the final report.

Councillor Kersop informed the oversight committee about the resignation of Councillor Maarman as a member of the oversight committee. He further enquired, after the presentation, whether the Municipal Manager and Executive Mayor submitted their forewords.

It should be noted that all the comments/inputs proposed by the various stakeholders were considered and subsequently corrected in the 2017/18 annual report.

In terms of Section 129(1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) the Municipality must indicate whether the Annual Report 2017/2018 is being adopted with or without reservations. The matters as discussed was finalised on 18 March 2019. As a result the Oversight committee is satisfied with the content of the Annual Report 2017/2018 and as such recommends to Council that the Annual Report 2017/2018 be adopted without any reservations

12. CONCLUSION

The Chairperson thanked everybody present for their attendance and participation. He further stated that the oversight committee is satisfied with the 2017/18 annual report. In addition, the Accounting Officer, Mr Paulse also thanked the chairperson and members of the committee for their participation and alluded to the fact that all legislative requirements were followed.

13. RECOMMENDED RESOLUTION TO BE ADOPTED BY COUNCIL

1. That Council, having fully considered the Oversight Report on the 2017/2018 Annual Report of Oudtshoorn Municipality, **ADOPTS** the 2017/2018 Oversight Report.

2. That Council, having fully considered the 2017/2018 Annual Report, attached hereto as Annexure B, **APRROVES** the Annual Report 2017/2018 without any reservations;

3. That the 2017/2018 Oversight Report be made public in accordance with Section 129(3) of the MFMA, and;

4. That the Minutes of the Oversight Committee Meeting (Annexure A), the 2017/2018 Oversight Report on the Annual Report for the 2017/2018 financial year be submitted in accordance with Section 129(2) and 132(2) of the MFMA to the Auditor General of South Africa, Provincial Treasury: Western Cape, Department of Local Government: Western Cape and the Provincial Legislature: Western Cape.

Cllr J Lambaatjeen

Chairperson: Oversight Committee

Date: 2019.03.18

OUDTSHOORN
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A TOWN TO WORK, LEARN, PLAY AND PROSPER

MINUTES OF A OVERSIGHT COMMITTEE MEETING HELD ON MONDAY, 04 MARCH 2019 AT 08H05 IN THE COUNCIL CHAMBER, VOORTREKKER ROAD, OUDTSHOORN

OPENING & WELCOMING

The Chairperson, welcomed Councillors, Directors and official's whereafter Councillor Kersop open the meeting with a prayer.

ATTENDANCE

COUNCILLORS

Councillor J Lambaatjeen	(Chairperson)
Councilor H Botha	
Councillor G Kersop	

OFFICIALS

Mr AA Paulse	(Municipal Manager)
Mr RK Smit	(Director: Corporate Services)
Mr J Solomons	(Manager: Capital Projects)
Mr T Matthee	(Director: Community Services)
Mr L Coetzee	(Senior Manager: Strategic Services)
Ms S Cronje	(Senior Manager: Accounting Services)
Mr EJ Jantjies	(Manager: Performance Management)
Mrs J Metembo	(Officer: Council Support Services)
Mrs M Sederstroom	(Officer: Council Support Services)
Mr G Witbooi	(Intern: Performance Management)

APPLICATIONS FOR LEAVE OF ABSENCE

RESOLVED

That the following apologies be noted:

Councillor Gunguluza & Councillor DR Maarman

Mr FM Lötter	(Chief Financial Officer)
Mr AC Koch	(Director: Technical Services)

CONSTITUTING OF OVERSIGHT COMMITTEE MEETING

The presence of a simple majority of Oversight Committee members constitutes a quorum. Three (3) out of five (5) Committee members were present, when the meeting started and as such, the meeting was duly constituted.

CONSIDERATION OF REPORTS

OVERSIGHT REPORT ON THE DRAFT 2017/ 2018 FINANCIAL YEAR ANNUAL REPORT

The Chairperson presented the draft annual report 2017/18 and requested inputs from the members present. The Accounting Officer indicated that the comments and/inputs from the stakeholders will be discussed at the next oversight committee meeting. The committee unanimously agreed that the next oversight meeting be held within 7 days from the date of this meeting.

In addition, the accounting officer stated that the Council Meeting be held no later than 25 March 2019 to consider the draft annual report 2017/18.

It should be noted that no comments/inputs were received from the members of the oversight committee on the draft 2017/18 annual report as presented.

CLOSING

Cllr. J Lambaatjeen thanked everyone present and adjourned the meeting at 08:25.



COUNCILLOR J LAMBAATJEEN
CHAIRPERSON

04 MARCH 2019
DATE

OUDTSHOORN
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A TOWN TO WORK, LEARN, PLAY AND PROSPER

A RECORD OF AN ATTEMPTED OVERSIGHT COMMITTEE ON MONDAY, 11 MARCH 2019 AT 08H00 IN THE COUNCIL CHAMBER, VOORTREKKER ROAD, OUDTSHOORN

OPENING & WELCOMING

The Chairperson declared the meeting open and welcomed officials to the meeting.

ATTENDANCE

COUNCILLORS

Councillor J Lambaatjeen	(Chairperson)

OFFICIALS

Mr AA Paulse	(Municipal Manager)
Mr RK Smit	(Director: Corporate Services)
Mr T Matthee	(Director: Community Services)
Mr AC Koch	(Director: Technical Services)
Mr L Coetzee	(Senior Manager: Strategic Services)
Mr EJ Jantjies	(Manager: Performance Management)
Mr P Goliath	(Senior Officer: Council Support Services)
Mrs J Metembo	(Officer: Council Support Services)
Mrs M Sederstroom	(Officer: Council Support Services)
Ms S Kiewiets	(Intern: Performance Management)

APPLICATIONS FOR LEAVE OF ABSENCE

RESOLVED

It should be recorded that no application for leave of absence were received.

CONSTITUTING OF OVERSIGHT COMMITTEE MEETING

The presence of a simple majority of oversight Committee members constitutes a quorum. One (1) out of five (5) Committee members were present, when the meeting started and as such, the meeting was therefore not duly constituted.

It should be recorded that the Oversight Committee Meeting of 11 March 2019 was postponed till Monday, 18 March 2019 at 09:00.

CLOSING

Cllr. J Lambaatjeen thanked everyone present and adjourned the meeting at 08:05.

COUNCILLOR J LAMBAATJEEN
CHAIRPERSON

11 MARCH 2019
DATE

OUDTSHOORN
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A TOWN TO WORK, LEARN, PLAY AND PROSPER

MINUTES OF A OVERSIGHT COMMITTEE MEETING HELD ON MONDAY, 18 MARCH 2019 AT 09:30 IN THE COUNCIL CHAMBER, VOORTREKKER ROAD, OUDTSHOORN

OPENING & WELCOMING

The Chairperson, welcomed Councillors, Directors and official's whereafter Councillor Kersop open the meeting with a prayer.

ATTENDANCE

COUNCILLORS

Councillor J Lambaatjeen	(Chairperson)
Councilor H Botha	
Councillor G Kersop	

OFFICIALS

Mr AA Paulse	(Municipal Manager)
Ms S Sims	(Acting Director: Human Settlements)
Mr L Coetzee	(Senior Manager: Strategic Services)
Mr EJ Jantjies	(Manager: Performance Management)
Mr P Goliath	(Senior Officer: Council Support Services)
Mrs J Meternbo	(Officer: Council Support Services)
Mrs M Sederstroom	(Officer: Council Support Services)
Mr S Fukweni	(Interpreter)
Mr G Witbooi	(Intern: Performance Management)
Ms S Kiewiets	(Intern: Performance Management)

APPLICATIONS FOR LEAVE OF ABSENCE

RESOLVED

That the following apologies be noted:

Councillor Gunguluza & Councillor DR Maarman

Mr FM Lötter (Chief Financial Officer)

CONSTITUTING OF OVERSIGHT COMMITTEE MEETING

The presence of a simple majority of Oversight Committee members constitutes a quorum. Three (3) out of five (5) Committee members were present, when the meeting started and as such, the meeting was duly constituted.

DELIBERATION ON THE DRAFT 2017/18 ANNUAL REPORT

Mr Jantjies informed to the oversight committee that The Annual Report 2017/2018 was tabled to Council on 25 January 2019 in compliance with the MFMA. He further stated that the Draft Annual Report 2017/2018 was made public on the Municipal Website and in the local newspaper after it was tabled to Council on 25 January 2019. Members of the community and other stakeholders were invited to submit written comments/inputs on the Annual Report 2017/2018.

In addition, he highlighted that the Annual Report 2017/2018 was also made available at all Municipal Libraries and other identified offices. The Annual Report 2017/2018 was furthermore also submitted in terms of Section 127(5)(b) to the Auditor General (AG) of South Africa, Provincial Treasury (Western Cape) and the Department of Local Government (Western Cape). The closing date for public comments was on 25 February 2019. No submissions from the public were received. The Provincial Treasury: Western Cape submitted written comments on the Annual Report 2017/2018 on 26 February 2019 and the Auditor General of South Africa (AGSA) on 25 February 2019.

Mr Jantjies presented the comments received from the various stakeholders, to the oversight committee for deliberation.

CORRECTIONS MADE AFTER TABLING BUT PRIOR TO PUBLISHING – 25TH JANUARY 2019

PAGE 7: Vision & Mission outdated – corrected accordingly;

PAGE 18: Table 18 (absence of Cllr Juthe)

PAGE 24: Table 27-ward 2 **NO CHAIRPERON REFLECTING.**

PAGE 28: Table 38-Ward 13 **NO CHAIRPERSON REFLECTING.**

NB - spelling of Councillor corrected throughout document).

COMMENTS FROM HUMAN SETTLEMENT

PAGE 7 & 9 = Population figures don't add up.

Page 57 = Municipal Function should change from **yes** to **NO**, as Oudtshoorn does not have a harbour etc.

Page 73 = Spelling of Housing to be corrected.

Mr Jantjies also presented the advertisement, which was published in the local newspapers, to the oversight committee for ease of reference.

"PUBLIC INVITATION TO SUBMIT REPRESENTATIONS TO THE ANNUAL REPORT 2017/2018 FINANCIAL YEAR

In terms of ***section 127(5)(2)(a)(i)(ii)of the Local Government: Municipal Finance Management Act, Act 56 of 2003***, the Oudtshoorn Municipality hereby gives public notice that the draft annual report for 2017/2018 financial year had been tabled before Council on 25 January 2019. The document is available for your perusal during normal office hours at the venues mentioned below. Copies have also been published on our website: www.oudtmun.gov.za

1. At all municipal offices at

 Pay Office Voortrekker Road, Oudtshoorn
 Pay Office, De Rust
 Pay Office, Dysselsdorp

2. At the following libraries in the Greater Oudtshoorn Municipal area:

 CJ Langenhoven Library
 Bridgton Library
 Bongolethu Library
 Dysselsdorp Library
 De Rust Library

Written submissions:
For attention **Mr. E Jantjies, Performance Management,** Oudtshoorn Local Municipality, P.O Box 225, Oudtshoorn, 6625 or **E-mail:** ***ejjantjies@oudtmun.gov.za***

Verbal submissions:
Any person wishing to make a ***verbal submission*** must arrange an appointment with Mr E Jantjies on 044 203 3139 or visit Municipal Offices situated at the aforementioned address.

Deadline for submissions: 25 February 2019"

Mr A PAULSE
MUNICIPAL MANAGER
Date published:

Herewith proof that the draft Annual Report 2017/2018 was also made available at all Municipal Libraries and other identified offices

ACKNOWLEDGEMENT OF RECEIPT: ANNUAL REPORT 2017/18 FOR PUBLIC COMMENTS/INPUTS AT ALL MUNICIPAL OFFICES

ALL MUNICIPAL OFFICES – PAYPOINTS	ACKNOWLEDGMENT OF RECEIPT: SIGNITURE
1.Pay Office Voortrekker Road, Oudtshoorn	
2. Pay Office, De Rust	
3. Pay Office, Dysselsdorp	
MUNICIPAL LIBRARIES	
1. CJ Langenhoven Library	
2. Bridgton Library	
3. Bongolethu Library	
4. Dysselsdorp Library	
5. De Rust Library	

DATE: Friday, February 1, 2019

Municipal Manager

A.A Paulse

AG'S COMMENTS ON THE DRAFT ANNUAL REPORT 2017/18 AFTER CLOSING DATE (25 FEBRUARY 2019)

[PAGE 8] Paragraph 1.3.1 (a) **Repetition of paragraph** "According to the forecasts..."

[PAGE 61] Paragraph 3.3.1 (d) Number of households receiving free basic water **2017/18 = 5602]** ≠ 3.3.6 (a) Number of households with access to free basic water **2017/18 = 5756 [PAGE 77]**

Paragraph 5.1.3 Community and Social Services row [page 144] ≠(NOT) values as per 5.2.8 table **[PAGE 148]**

The signed annual financial statements 2017-18 AND signed audit report 2017-18 must be included in the Draft Annual Report.

Similarly with the **Mayor's Forward** and **Municipal Manager's Overview**.

COMMENTS FROM PROVINCIAL TREASURY

CONCLUSION AND RECOMMENDATIONS

Oudtshoorn Municipality's Annual Report for 2017/18 substantially reflects the municipality's performance for the 2017/18 financial year.

Although municipality is commended for meeting the legislative requirements regarding the tabling, publishing and submitting the report to Provincial Treasury, the report however partially complies with the format as stipulated by MFMA Circular 63 as required Appendices are not included as well as the Mayor's Foreword and the Municipal Manager's Overview.

Regarding the performance on basic services, the municipality has reported a 70.8 per cent achievement of targets set for the 2017/18 financial year, with a number of human settlements targets not achieved.

The municipality is advised to ensure that all missing components in terms of the annual report format as per MFMA Circular 63 should be addressed in the final report.

Councillor Kersop informed the oversight committee about the resignation of Councillor Maarman as a member of the oversight committee. He further enquired, after the presentation, whether the Municipal Manager and Executive Mayor submitted their forewords.

RECOMMENDED RESOLUTION TO BE ADOPTED BY COUNCIL

1. That Council, having fully considered the Oversight Report on the 2017/2018 Annual Report of Oudtshoorn Municipality, **ADOPTS** the 2017/2018 Oversight Report.

2. That Council, having fully considered the 2017/2018 Annual Report, **APRROVES** the Annual Report 2017/2018 without any reservations;

3. That the 2017/2018 Oversight Report be made public in accordance with Section 129(3) of the MFMA, and;

4. That the Minutes of the Oversight Committee Meeting, the 2017/2018 Oversight Report on the Annual Report for the 2017/2018 financial year be submitted in accordance with Section 129(2) and 132(2) of the MFMA to the Auditor General of South Africa, Provincial Treasury: Western Cape, Department of Local Government: Western Cape and the Provincial Legislature: Western Cape.

Proposed by: Cllr Kersop
Seconded by: Cllr Botha

CLOSING

Cllr. J Lambaatjeen thanked everyone present and adjourned the meeting at 09:51.

COUNCILLOR J LAMBAATJEEN
CHAIRPERSON

18 MARCH 2019
DATE